BC PROGRESS BOARD

8th Annual Benchmark Report

DECEMBER 2008

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>> Message from the Chair

This is the eighth annual benchmark report of the British Columbia Progress Board. It is being released at a time when we as a board, like many other British Columbians and people around the globe, are considering the uncertainty of the world's financial systems and trying both to make sense of the daily flurry of information and to contemplate what the future may hold. As a board, part of our responsibility is to provide advice about improving British Columbia's social and economic condition – a mandate that has always provided a considerable challenge, never moreso than now.

For those who have followed the work of the Progress Board, you will know that the benchmark report is our core activity. We have released annual reports since our inception, and recently changed our reporting format to forego an interim report and instead use our website more efficiently, providing updates as they become available.

It has been a strong view of the Board that measurement can only be meaningful if there is a disciplined approach to a consistent set of benchmarks. As such, every year we have applied the same set of measurements in our assessments of the social and economic performance of the province. It is a cliché to say that we cannot know where we are going unless we know where have come from, but it is also true. We have applied the accrued knowledge of benchmark work to make meaningful contributions both to understanding the dynamic of this province and to its policy development. I think, for example, of the work the board has undertaken on advanced education, transportation, and the social condition.

We now find ourselves facing rapid global economic and financial change of a scale that both commands and confounds a response from business and government. Whether the unfolding changes will be evolutionary or revolutionary remains to be seen, but that they will have a lasting impact is difficult to dispute.

The question emerging for the board, then, is whether in the face of these potentially profound changes, the Board's benchmark measures are sufficient, and sufficiently supple, to continue to provide a meaningful measure of economic and social progress in British Columbia.

The Board's ongoing analysis of the LICO measure is a good example of the scrutiny we are putting to our benchmark measures. In 2006, the Board issued a report on "The Social Condition in British Columbia." Although we are now seeing a considerable improvement in social condition, in 2006 we expressed our puzzlement and concern about evidence from our research that consistently suggests BC lags in a number of dimensions of that indicator. A study we commissioned by Statistics Canada, to explain the difference in low income rates in British Columbia and Canada, concluded that employment engagement is the most important factor explaining the BC-Canada gap. But even as economic growth in British Columbia has outpaced that of Canada as a whole, low income remains a concern. Why? Even with a Canadian low income rate that is relatively high, are there unique conditions in British Columbia?

We have asked the experts at the Urban Institute to look at this question, and they have provided some insight for this year's report. We consider this a first of possible further steps to deepen our analysis of low income, including ongoing work to answer the question whether the LICO measure is one that meets our measurement needs.

A second persistent issue resulting from our measurement research comes from consistently poor performance by British Columbia in the productivity measure.

Productivity defies discussion. It is often dismissed as code for a demand that individuals work longer and harder. But that is missing the point. For the Progress Board, productivity is perhaps the best example of a measurement that encapsulates our own broad mandate. It is about individuals, governments, and the private sector. While we are concerned about whether employees in British Columbia are reaching their full potential, of equal importance is the need for governments and private industry to create "winning conditions." Are we making sufficient investments in infrastructure and innovation? Our benchmark results suggest the answer has consistently been no.

A year ago, the Progress Board began an in-depth analysis of productivity, and the beginning of what we hope will be a short series on this topic is included with this year's benchmark report. Presentations to the Board and a detailed paper on investment reinforce the message the Board has conveyed for years; poor productivity performance will have increasingly serious impacts on BC's economic and social performance. British Columbia suffers from weak manufacturing and equipment (M&E) investment intensity relative to Canada which, in turn, fares poorly in international comparisons. This is in spite of numerous natural advantages which act to draw investment to the province.

Weak investment is not concentrated in a few industries and appears to be caused by poor investment incentives. As the incentive structure is largely determined by government, recommendations focus on government policy. Replacing the Provincial Sales Tax with a value-added tax, preferably harmonized with the GST, stands out as the most promising idea for improving investment incentives. Although the transition would likely be difficult, a harmonized PST would significantly lower the marginal effective tax rate on investment and reduce distortions across sectors.

Our work on productivity started in a very different financial and economic climate than what we now face. But our analysis and recommendations are as sound now as they would have been last spring.

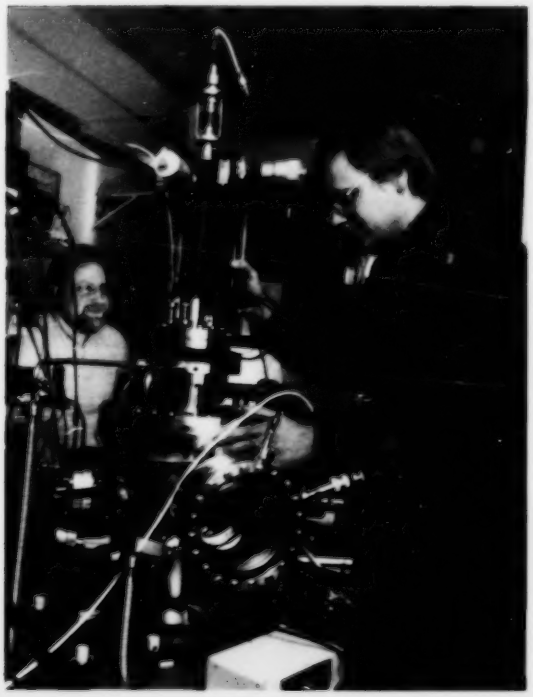
The purpose of benchmarking is to set a course for the future. While the Board sometimes feels constrained by the backward-looking nature of benchmark analysis, we are also empowered by the knowledge this analysis provides.

>> Introduction

Established in 2001, the BC Progress Board tracks changes in the economic performance and social wellbeing of British Columbia. The Board consists of up to 18 business executives and academic leaders from around the province. British Columbia has the natural and human capital to become a leader in Canada. Moreover, the province is well placed to become a global leader. The Board has two mandates:

>> Measure and benchmark British Columbia's performance over time, and relative to other jurisdictions, in order to determine if BC's competitiveness and quality of life are improving;

>> Advise the Premier on strategies, policies and actions that could enhance BC's economic and social wellbeing regardless of whether government, business or individual actions are required.



The BC Progress Board's benchmark work is the most comprehensive review available of the state of the province's economy, innovation, education, environment, health and societal performance.

The Board has two main objectives:

>> Help make BC a leader in Canada in the economy, innovation and education;

>> Help make BC a leader in the environment, health and society.

For each objective, the Board has three core targets and 13 performance indicators. Under the "Economy, Innovation, and Education" objective, the core targets are: economic growth, standard of living, and jobs. Under the "Environment, Health and Society" objective, the core targets are: environmental quality, health outcomes, and social condition.

Historical and Recent Results

BC's performance relative to the rest of the country has shown general improvement between the first annual benchmark report and this – the eighth – annual report. The Board's initial goal for the six core targets was to maintain first place in Canada in environmental quality and health outcomes, and to achieve a first or second place rank in the other four core targets.

Since the Progress Board was established in 2001, BC has maintained its first place rank in environmental quality and health outcomes. BC has maintained its third place rank in standard of living thanks to solid personal income gains. As well, BC has seen strong employment growth. The province earned an eighth place rank for economic growth in 2007, down from third in 2006. Ranks on this indicator are highly variable, especially in years like 2007 when differences between growth rates that earn strong and weak ranks are small. Although the global economic outlook is uncertain, BC is relatively well positioned to handle the challenges ahead. In social condition, however, BC has lagged compared to the other provinces. This is particularly the case in two of the performance indicators that make up this composite index: the crime rate, and the number of families and unattached individuals with income below the after-tax low income cut-off. Recent Board advisory reports looked at crime and the social condition.

WHERE BC RANKS IN CANADA

Economy	8th
Standard of Living	3rd
Jobs	4th
Environmental Quality	1st
Health Outcomes	1st
Social Condition	6th

Reporting Framework

The BC Progress Board issues benchmark reports that compare BC to other jurisdictions, and, within BC, compare the province's major metropolitan areas to each other and to the non-metropolitan area of the province (Regional BC).

External Performance Review

The Board issues an annual benchmarking report with sections on "Economy, Innovation, and Education," and "Environment, Health and Society." For each of these sections, the report provides BC's latest ranking in the six core targets and 26 performance indicators used to assess the province's economic performance and social wellbeing. These reports compare BC to Canada's other provinces, to other jurisdictions in North America, and to OECD countries.

Internal Performance Review

Starting with the 2007 report, the Board has included a section that provides regional comparisons within BC. Previously, these results were published in a separate volume. The internal review follows the same two objectives as the external review: "Economy, Innovation, and Education" and "Environment, Health and Society." For the first objective, the internal review tracks 10 regional indicators, and for the second objective it tracks eight regional indicators. The internal review compares the major metropolitan areas and Regional BC and provides performance detail on BC's development regions and health authorities.

Website Refresh

The Board's website received a new look and structure in 2008. As a result, revisions to core target and performance indicators are posted as they become available. With this change, the interim benchmarking report, which provided mid-year updates, is no longer required.

>> External Performance Review

Economy, Innovation and Education

In the "Economy, Innovation and Education" indicators, BC has seven strong, six middling, and three weak rankings. A strong ranking means the province was first to third in Canada, a middling performance is fourth to seventh, and weak is an eighth to tenth place showing. In 2007, BC ranked eighth in economic growth, fourth in jobs (employment rate), and third in standard of living.

The table below shows BC's performance compared to the other provinces, and its comparison to other jurisdictions in North America and internationally (as available). The three Core Targets are denoted with a 'CT' and the appropriate number while performance indicators are denoted with a 'PI' and the appropriate number. Brief synopses of how BC has done recently in each core target and performance indicator follow the table. The synopsis continues the 'CT' and 'PI' naming and also includes the current year's rank in a graphic target or grid. Throughout the discussion that follows the 'best' rank is always first and the 'worst' is always tenth.

BC Performance Ranks – Economy, Innovation and Education
Most Recent Core Targets and Performance Indicators

Indicator	Canada	North America	International
CT 1 – Economic Growth	8	23	8
CT 2 – Standard of Living	**3**	**54**	
CT 3 – Jobs	4	34	7
PI 1 – Real Average Hourly Wage	**3**		
PI 2 – Productivity	6		
PI 3 – Total Exports Per Capita	**9**		**19**
PI 4 – Taxpayer-Supported Debt	2		
PI 5 – Per Capita Tax Burden	**6**		
PI 6 – Top Marginal Personal Income Tax Rate	2		
PI 7 – Provincial Surplus/(Deficit)	**3**		
PI 8 – Net Inter-Provincial Migration	3	24	
PI 9 – Business Gross Fixed Capital Formation	**4**		**8**
PI 10 – Public School Graduates	8		
PI 11 – University Completion	**2**		
PI 12 – R&D as a Percent of GDP	5	37	19
PI 13 – Natural and Applied Science and Rel. Occ.	**5**		

Notes: A blank space indicates that no comparison is available.

Canada: compares Canada's 10 provinces from 1st (best) to 10th (worst)

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>> External Performance Review

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CT1 >> Economic Growth

8 Core Target One is based on growth in inflation-adjusted Gross Domestic Product, or the value-added to the economy by current productive activities of individuals, businesses, governments and non-residents. In 2007, the province's real GDP per capita growth was eighth among the provinces and 23rd of 61 in North America. BC's growth was 8th among 31 international jurisdictions in 2006. BC's growth rate was slightly below the national average in 2007. British Columbia's growth exceeded Canada's by 1.1 percentage points, on average, between 2002 and 2006 but was 1.9 percentage points below Canada's between 1994 and 2001.

CT2 >> Standard of Living

3 Core Target Two tracks the level of personal disposable income (PDI) per person. BC enjoyed the third highest real personal disposable income per capita in Canada in 2007 and ranked 54th of 61 in North America. After eight years below average, BC returned to above average real personal disposable income per capita in 2006 and saw a small improvement in 2007. Between 1998 and 2007, BC was the fourth most successful province in raising real personal disposable incomes.

CT3 >> Jobs

4 Core Target Three is the percent of the population (ages 15 to 64) that is employed. British Columbia employment rate exceeded the national average in 2006 and 2007. The Canadian average for 2007 was 73.6 percent. Alberta, Saskatchewan, and Manitoba were well ahead of the average. British Columbia pulled ahead of Ontario to earn fourth place in 2007. The last time it was in fourth place was the period 1992 through 1997. In 2007, the province ranked 34th in North America and seventh internationally.

PI 1 >> Real Average Hourly Wage

3 Performance Indicator One follows the inflation-adjusted average hourly wage rate. As this indicator is ranked from the worker's perspective, a higher wage earns a better rank. In 2007, BC ranked third in real average hourly wage in Canada, the same rank it has held since 1998. Between 1998 and 2007, the real average hourly wage fell in BC, earning the province an eighth place ranking for improvement among the provinces. Wage growth between 2005 and 2007 brought BC back up to its 2000 level.

PI 2 >> Productivity

6 Performance Indicator Two tracks the inflation-adjusted value of Gross Domestic Product per hour worked in the business sector of the economy. BC achieved a sixth place ranking in productivity among the provinces in 2007. Alberta held the first place rank through the entire 1998 to 2007 period. Since 1998, BC has consistently been below the Canadian average in real GDP per hour worked.

PI 3 >> Total Exports per Capita

9 Performance Indicator Three is based on the inflation-adjusted value of goods and services exported. In 2007, BC ranked ninth in per capita exports, down from its 2002-2006 position. Alberta ranked first and Saskatchewan second among the provinces. At 19th of 31 in 2006, BC ranked in the middle but near the bottom third in the international comparison.

PI 4 >> Taxpayer-supported Debt

2 Performance Indicator Four tracks government direct debt plus the debt of dependent Crown Corporations and agencies. Provinces with lower debt burdens earn better ranks. In 2007/08, BC scored extremely well in terms of taxpayer-supported debt as a percent of GDP, posting the second lowest ratio. A low debt ratio allows a wider range of policy responses to difficult economic times.

PI 5 >> Per Capita Tax Burden

6 Performance Indicator Five uses the consolidated tax burden of the provincial and local governments. The lower the tax burden the better the rank. In 2007/08, BC had the sixth lowest tax burden in Canada. Since 1998/99, BC has experienced the third-smallest tax burden increase in the country.

PI 6 >> Top Marginal Personal Income Tax Rate

2 Performance Indicator Six follows the combined federal-provincial tax rate on the highest income bracket. BC's top marginal personal tax rate was the second lowest among the provinces in 2008, the same rank it has held since 2002 and trailing only Alberta. Nova Scotia had the highest rate. Alberta maintained the lowest rate throughout the period 1999 to 2008.

PI 7 >> Provincial Surplus/Deficit

3 Performance Indicator Seven is based on the surplusses and deficits of the provincial governments. BC recorded the third largest surplus as a percent of GDP among the provinces in 2007/08, behind Newfoundland and Labrador and Alberta. BC has been in surplus for four years. Prior to this, deficits were the norm in BC.

PI 8 >> Net Inter-Provincial Migration

3 Performance Indicator Eight tracks the overall movement of Canadians from one province to another. British Columbia had strong in-migration in the early 1990s but this flow turned negative in 1997/98. It returned to a positive flow in 2003/04. Although BC is once again on the receiving end of migration among the provinces, it dropped one rank position due to strength in Saskatchewan. Saskatchewan went from significant losses and low ranks at the start of the decade to third place in 2006/07 and the top destination in 2007/08. In 2007/08, BC ranked 24th in a North American comparison.

PI 9 >> Business Gross Fixed Capital Formation

4 Performance Indicator Nine measures the expenditure by businesses on durable assets and on building and engineering construction plus residential construction by individuals. In 2007, BC ranked fourth in Canada in Business Gross Fixed Capital Formation, slightly above the Canadian average. BC placed 8th of 31 on Total Gross Fixed Capital Formation as a percent of GDP when compared to OECD countries.

PI 10 >> Public School Graduates

8 Performance Indicator Ten is based on the number of public secondary school graduates. BC ranked eighth in graduates in 2006, as it did in 2005. Between 1998 and 2006, the province had the third largest increase in graduates. Saskatchewan and Alberta had larger increases.

PI 11 >> University Completion

2 Performance Indicator Eleven follows the percent of the population (aged 25-54) that has earned a university credential. In 2007, BC was second behind Ontario in university completion, maintaining the position it has held since 2002. Over the period 1998-2007, all the provinces experienced significant growth in the proportion of people who completed university. British Columbia had the third-largest increase.

PI 12 >> R&D as a Percent of GDP

5 Performance Indicator Twelve measures how much money is spent on research and development. In 2005, BC ranked fourth, trailing Quebec, Ontario, Prince Edward Island and Nova Scotia. Between 1996 and 2005 BC narrowed the gap considerably between its spending and the Canadian average, although BC still trailed in 2005. Over the period 1996 to 2005, all provinces saw their ratio of R&D spending to GDP increase. The largest increases occurred, in order, in Prince Edward Island, BC, and Manitoba. In 2005, the province ranked 37th compared to other North American jurisdictions, and 19th internationally.

PI 13 >> Natural and Applied Sciences and Related Occupations

5 Performance Indicator Thirteen shows the proportion of a jurisdiction's employment which is comprised of persons working in natural and applied sciences and related occupations. BC ranked fifth among the provinces in 2007. Canada at large experienced steady increases in the proportion of scientists and engineers to total employment between 1998 and 2001. It suffered declines in 2003 and 2004, and grew again in 2005 through 2007.

Environment, Health and Society

In the "Environment, Health and Society" indicators, BC has eleven strong rankings, three middling rankings, and two weak rankings. The province came first in environmental quality in 2006 and health outcomes in 2005, but sixth in social condition in 2006.

The table below shows BC's performance compared to the other provinces, and its comparison to other jurisdictions in North America and internationally (as available). The three Core Targets are denoted with a 'CT' and the appropriate number while performance indicators are denoted with a 'PI' and the appropriate number. Brief synopses of how BC has done recently in each core target and performance indicator follow the table. The synopsis continues the 'CT' and 'PI' naming and also includes the current year's rank in a graphic target or grid. Throughout the discussion that follows the 'best' rank is always first and the 'worst' is always tenth. The one to two year lag for data in the 'Economy, Innovation and Education' section is worse for data underlying the 'Environment, Health and Society' section with indicators lagging for one to four years.

BC Performance Ranks – Environment, Health and Society
Most Recent Core Targets and Performance Indicators

Indicator	Canada	North America	International
CT 4 – Environmental Quality	1		
CT 5 – Health Outcomes	**1**		
CT 6 – Social Condition	6		
PI 14 – Air Quality	**2**		
PI 15 – Greenhouse Gas Emissions	2		23
PI 16 – Protected Areas	**1**		
PI 17 – Life Expectancy at Birth	1		4
PI 18 – Cancer Mortality	**1**		
PI 19 – Cardiovascular Disease Mortality	2		
PI 20 – Infant Mortality	**4**		
PI 21 – Potential Years of Life Lost	2		
PI 22 – Low Income Cut-offs	**9**		
PI 23 – Low Birth Weight Rate	3	3	10
PI 24 – Personal and Property Crime	**10**	**60**	
PI 25 – Income Assistance	2		
PI 26 – Long-Term Unemployment	**6**		**3**

Notes: A blank space indicates that no comparison is available.

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Indicator	Canada	North America	International
CT 4 – Environmental Quality	1		
CT 6 – Social Condition	6		
PI 15 – Greenhouse Gas Emissions	2		23
PI 17 – Life Expectancy at Birth	1		4
PI 19 – Cardiovascular Disease Mortality	2		
PI 21 – Potential Years of Life Lost	2		
PI 23 – Low Birth Weight Rate	3	3	10
PI 25 – Income Assistance	2		

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CT4 >> Environmental Quality

1 Core Target Four, environmental quality, is derived from BC's ranking under three environmental performance indicators (PI 14-PI 16): air quality, greenhouse gas emissions, and protected areas. BC ranked first in Canada on environmental quality, with second-best ranks on air quality and greenhouse gas emissions and the top rank on protected areas.

CT5 >> Health Outcomes

1 Core Target Five, health outcomes, is derived from five performance indicators (PI 17-PI 21): life expectancy at birth, cancer mortality, cardiovascular disease mortality, infant mortality, and potential years of life lost. BC had the best health outcome performance among the provinces over the entire period of 1996 to 2005.

CT6 >> Social Condition

6 Core Target Six is based on the province's ranking across five performance indicators (PI 22-PI 26): the percent of families and unattached individuals with income below the after-tax low income cut-off, the low birth weight rate, the personal and property crime rate, the percent of the population on income assistance, and the percent of total unemployment designated as long-term. In 2006, BC ranked sixth in social condition among the provinces. Quebec earned the worst rank in 2006 and Prince Edward Island earned the best.

PI 14 >> Air Quality

2 Performance Indicator Fourteen tracks the amount of fine particulate matter in the air of major cities. The fewer particles there are in the air, the better the rank. Vancouver ranked second in 2006 and second on the 2001-2006 average behind Winnipeg using the concentration of PM2.5 particulates in the air.

PI 15 >> Greenhouse Gas Emissions

Performance Indicator Fifteen tracks how

2 many tonnes of greenhouse gases were emitted per person in a year. BC posted the second lowest level of emissions among the provinces in 2006. Quebec had the lowest emissions per person in 2006, and Alberta the highest. BC's emissions were about one-third below the national average. BC's reliance on clean hydroelectric power generation contributes to its favourable ranking. In an international comparison, BC ranked 23rd out of 29 jurisdictions in 2005.

PI 16 >> Protected Areas

1 Performance Indicator Sixteen lists the proportion of the land base that is protected from development. As of 2003, the

most recent data available, BC ranked first among the provinces. BC is well ahead of the national average in this indicator, and just ahead of second place Alberta. Ontario came third, followed in order by Manitoba, Nova Scotia, Newfoundland & Labrador, Quebec, Saskatchewan, New Brunswick, and Prince Edward Island.

PI 17 >> Life Expectancy at Birth

1 Performance Indicator Seventeen is based on the average number of years that a child is expected to live in its lifetime. BC led Canada in life expectancy in 2006/07, holding on to the rank it has held since we started reporting. From 1997/98 to 2006/07, BC ranked second among the provinces in raising life expectancy, reaching 81.4 years for both sexes. Internationally, BC ranked third in 2006 relative to OECD countries.

PI 18 >> Cancer Mortality

1 Performance Indicator Eighteen tracks the number of deaths from cancer relative to population. In 2004, BC had the lowest cancer mortality rate in Canada which earned it the best rank. BC's rate was well below the national average. The province's cancer mortality rate dropped 6.0 percent between 1995 and 2004, while Canada at large experienced a 7.6 percent decline.

PI 19 >> Cardiovascular Disease Mortality

2 Performance Indicator Nineteen tracks the number of deaths from major cardiovascular disease relative to population. In 2004, BC had the second-best rank in cardiovascular mortality, the same rank it has held since 2001. Quebec had the lowest rate in 2004. British Columbia experienced a 26 percent decline in this form of mortality between 1995 and 2004.

PI 20 >> Infant Mortality

4 Performance Indicator Twenty is based on the number of infants who die in the first year of life. British Columbia ranked fourth for the infant mortality rate in 2005. Ranks based on longer-term averages are more stable. BC has the third-lowest and lowest average infant mortality rates among the provinces for the most recent five and ten year periods, respectively

PI 21 >> Potential Years of Life Lost

2 Performance Indicator Twenty-One is an indicator of premature mortality where lower values mean better performance. BC had the second-lowest potential years of life lost in 2006, behind Quebec. Between 1997 and 2006, every province except Prince Edward Island achieved a decline in this indicator.

PI 22 >> Low Income Cut-Offs

9 Performance Indicator Twenty-Two uses data on the number of people with incomes below a level identified by Statistics Canada as relatively low. The province with the lowest proportion earns the best rank. In 2006, BC ranked ninth among the provinces. From 1997 to 2006, BC had a higher number of families and unattached individuals living below the Low-Income Cut-Off than the national average, although the 2006 gap is less than half of the 2002 maximum.

PI 23 >> Low Birth Weight Rate

3 Performance Indicator Twenty-Three is based on the number of infants born weighing less than 2,500 grams relative to total live births. The lowest ratio earns the best rank. In 2006, BC ranked third in Canada. Between 1997 and 2006, BC ranked second on average, and has consistently performed better than the national average throughout this period.

PI 24 >> Personal and Property Crime

10 Performance Indicator Twenty-Four is based on the number of personal and property crimes in a jurisdiction. In 2007, BC had the worst combined personal and property crime rate among Canadian provinces. Crime rates have fallen significantly between 1998 and 2007 and BC had the second largest fall. In 2007, BC ranked 60th of 61 in North America.

PI 25 >> Income Assistance

2 Performance Indicator Twenty-Five is based on the number of people receiving income assistance. Provinces with lower ratios earn better ranks. In 2005, BC ranked second in Canada in income assistance, maintaining its previous year's ranking. From 1996 to 2005, BC had the largest decrease in income assistance usage in the country. BC's rate fell from 3.5 to 3.1 percent between 2005 and 2006. Unfortunately, data for the other provinces were not available in time for publication

PI 26 >> Long-Term Unemployment

6 Performance Indicator Twenty-Six tracks the proportion of those unemployed for 52 weeks or longer. BC came sixth in long-term unemployment among Canadian provinces and third internationally in 2007.

>> Internal Performance Review

Economy, Innovation and Education

The "Economy, Innovation and Education" section compares BC's Census Metropolitan Areas (CMAs) – Vancouver, Victoria, Abbotsford and Kelowna – to each other and Regional BC, the area of the province not included in a CMA. The table below shows how each jurisdiction performed on the ten indicators available. A brief synopsis of each indicator follows the table.

BC Performance Ranks – Economy, Innovation and Education
Most Recent Regional Indicators

Regional Indicator	Van. CMA	Vic. CMA	Abb. CMA	Kel. CMA	Regional BC
1. Jobs (% population 15-64)	74.0	77.5	75.4	n/a	72.9
2. Taxfilers' Employment Income ($2002 per capita)	**20,268**	**18,418**	**15,610**	**17,524**	**16,488**
3. Manufacturing Shipments ($2002 per capita)	8,296	2,414	8,418	n/a	13,273
4. Retail Sales Per Capita ($2002 per capita)	**10,290**	**n/a**	**n/a**	**n/a**	**13,542**
5. Housing Starts (per 1,000 population)	9.2	7.4	6.3	n/a	9.2
6. Non-Res. Building Permits ($2002 per capita)	**909**	**639**	**622**	**1,240**	**734**
7. Secondary School Grads (% population 18 yrs)	80.4	64.6	68.2	75.0	81.2
8. University Completion (% population 25-54)	**33.1**	**28.1**	**17.1**	**16.8**	**14.8**
9. Scientists and Engineers (% employment)	7.1	7.4	3.7	n/a	5.4
10. Net New Businesses (per 1,000 population)	**10.0**	**6.4**	**6.2**	**8.7**	**4.4**

Summary of Findings

Metro Vancouver, which is identical to the Vancouver Census Metropolitan Area (CMA) outperforms Regional BC on five of ten regional Economy, Innovation and Education indicators. They are: employment income; building permits; university completion; science employment; and, new business formation. Metro Vancouver and Regional BC are essentially tied on employment rate, housing starts and, secondary school graduates. Regional BC has the edge in manufacturing shipments and retail sales.

RI 1 >> Employment Rate

Regional Indicator One is the percent of the population (ages 15 to 64) that is employed. The higher the employment rate, the better the rank. The CMAs, Regional BC as well as all development regions saw increased employment rates between 1998 and 2007.

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Regional Indicator	Van. CMA	Vic. CMA	Abb. CMA	Kel. CMA	Regional BC
1. Jobs (% population 15-64)	74.0	77.5	75.4	n/a	72.9
3. Manufacturing Shipments ($2002 per capita)	8,296	2,414	8,418	n/a	13,273
5. Housing Starts (per 1,000 population)	9.2	7.4	6.3	n/a	9.2
7. Secondary School Grads (% population 18 yrs)	80.4	64.6	68.2	75.0	81.2
9. Scientists and Engineers (% employment)	7.1	7.4	3.7	n/a	5.4

Summary of Findings

Metro Vancouver, which is identical to the Vancouver Census Metropolitan Area (CMA) outperforms Regional BC on five of ten regional Economy, Innovation and Education indicators. They are: employment income; building permits; university completion; science employment; and, new business formation. Metro Vancouver and Regional BC are essentially tied on employment rate, housing starts and, secondary school graduates. Regional BC has the edge in manufacturing shipments and retail sales.

RI 1 >> Employment Rate

Regional Indicator One is the percent of the population (ages 15 to 64) that is employed. The higher the employment rate, the better the rank. The CMAs, Regional BC as well as all development regions saw increased employment rates between 1998 and 2007.

RI 2 >> Taxfilers' Employment Income

Regional Indicator Two measures income earned from employment and self-employment. Growth in real per capita employment income between 1997 and 2006 has been strong and widespread, ranging from a low of 24.0 percent in Regional BC to 25.2 percent in Victoria.

RI 3 >> Manufacturing Shipments

Regional Indicator Three is a measure of manufacturing activity. Unfortunately, the data have not been updated for several years. Regional BC is responsible for half of BC's manufacturing shipments.

RI 4 >> Retail Sales

Performance Indicator Four measures sales at retail outlets. Sales fell in five of the last ten years in Vancouver to produce an annual average growth rate of 0.2 percent. Outside of Vancouver, only 1998 saw a drop in sales which resulted in an average growth rate of 3.2 percent.

RI 5 >> Housing Starts

Regional Indicator Five measures the number of dwelling units started and permits issued for construction. Housing starts in BC have shown strong growth since the trough in 2000, rising by 151 percent to reach 8.9 in 2007. Housing starts in 2007 were 25 percent below the early 1990s peak.

RI 6 >> Non-Residential Building Permits

Regional Indicator Six measures the value of permits issued for non-residential buildings. The value of building permits in BC was above the 1990-2007 average in 2005, 2006 and 2007.

RI 7 >> Secondary School Graduates

Regional Indicator Seven represents the number of Grade 12 students who have graduated in the school year. The public and independent secondary school graduation rate in BC grew by 6.1 percentage points, over ten years, to reach 78.8 percent in 2007.

RI 8 >> University Completion

Regional Indicator Eight measures the percent of the population in British Columbia, aged 25 to 54, who have completed a university education. The proportion of BC's population with a university education grew by 31.8 percent between 1998 and 2007.

RI 9 >> Natural and Applied Sciences and Related Occupations

Regional Indicator Nine measures the percent of a jurisdiction's total employment that is comprised of scientists and engineers. The Victoria CMA had the highest proportion of its workforce employed in natural and applied sciences in most of the years reviewed.

RI 10 >> Net New Business Formation

Regional Indicator Ten measures net business formation. There were more new business formations per capita in BC in each of 2005, 2006 and 2007 than in any other year between 1990 and 2004. The previous maximum had held since 1994. Although net incorporations have continued to grow, the pace has slowed in recent years.

Environment, Health and Society

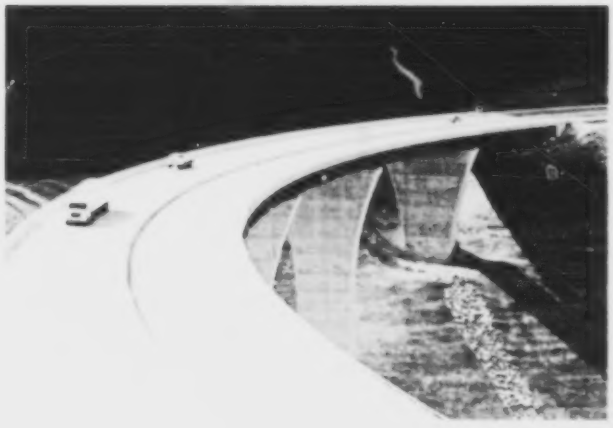
The "Environment, Health and Society" section compares BC's Census Metropolitan Areas (CMAs) – Vancouver, Victoria, Abbotsford and Kelowna – to each other and Regional BC, the area of the province not included in a CMA. The table below shows how each jurisdiction performed on the eight indicators available. A brief synopsis of each indicator follows the table.

BC Performance Ranks – Economy, Innovation and Education
Most Recent Regional Indicators

Regional Indicator	Van. CMA	Vic. CMA	Abb. CMA	Kel. CMA	Regional BC
11. Air Quality (mean $PM_{2.5}$ concentration)	4.9	5.6	4.1	5.2	4.9
12. Cancer Mortality (per 1,000 population)	**1.4**	**1.5**	**1.6**	**1.5**	**1.8**
13. Life Expectancy (years)	82.3	82.4	80.5	81.5	80.1
14. Low Birth Weight Rate (% of live births)	**6.0**	**4.9**	**4.2**	**4.5**	**5.9**
15. Crime Rate (incidents/ 100 population)	6.2	5.7	6.8	7.2	6.7
16. Social Condition (% of families)	**18.6**	**19.6**	**n/a**	**n/a**	**13.5**
17. Employment Insurance (% of population 15-64)	2.1	1.8	3.3	2.6	3.6
18. Income Assistance (% of population 0-64)	**1.1**	**1.0**	**1.5**	**1.1**	**1.7**

Summary of Findings

Metro Vancouver and Regional BC are more closely matched in the eight Environment, Health and Society indicators than in the Economy, Innovation and Education comparisons. Regional BC clearly outperforms Vancouver on social condition but they are more or less tied for the other indicators. Even though there are differences, they are either small or the numbers are so low compared to those from ten years ago that the differences are not worth highlighting.



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RI 11 >> Air Quality

Regional Indicator Eleven is measured by the amount of fine particulate matter in the air. Lower levels earn better ranks. Among the cities compared, Powell River has had the best average air quality and Prince George the worst.

RI 12 >> Cancer Mortality

Regional Indicator Twelve tracks the number of deaths from cancer. Lower mortality rates translate to better ranks. The cancer mortality rate was lower in 2007 than in 1998 in all but Regional BC and the Vancouver Island Health Authority.

RI 13 >> Life Expectancy at Birth

Regional Indicator Thirteen is the average number of years that a child is expected to live. Life expectancy at birth increased throughout the province between 1998 and 2007, ranging from six months in Kelowna to three years in Vancouver.

RI 14 >> Low Birth Weight Rate

Regional Indicator Fourteen is based on the number of infants born weighing less than 2,500 grams. The lowest ratio earns the best rank. In 2007, 6.0 percent of live births in Vancouver had a low weight birth. The ratio was 5.9 percent in Regional BC.

RI 15 >> Personal and Property Crime

Regional Indicator Fifteen is based on the number of personal and property crimes in a jurisdiction. Higher crime rates produce worse ranks. Overall, between 1998 and 2007, crime rates fell by 35 percent in Vancouver, 22 percent in Victoria, 14 percent in Regional BC and 11 percent in Abbotsford.

RI 16 >> Low Income Incidence

Regional Indicator Sixteen uses data on the number of people with relatively low incomes. The region with the lowest proportion earns the best rank. The low income ratio was worst in Vancouver for all years reviewed.

RI 17 >> Employment Insurance

Regional Indicator Seventeen tracks the number of Employment Insurance beneficiaries as a percent of the population aged 19-64. Other than a four percent increase in Regional BC between 2006 and 2007, every region has seen the EI to population ratio drop in each of the last four years.

RI 18 >> Income Assistance

Regional Indicator Eighteen tracks the number of Income Assistance beneficiaries. Since 1995, the ratio of beneficiaries to population has fallen by at least 86 percent in the CMAs and Regional BC.

>> Economy, Innovation & Education

In the "Economy, Innovation and Education" indicators, BC has seven strong, six middling, and three weak rankings. A strong ranking means the province was first to third in Canada, a middling performance is fourth to seventh, and weak is an eighth to tenth place showing.

Taken together, Core Targets One through Three reflect the strong growth seen in BC in this decade. Although BC ranked eighth in economic growth in 2007, its growth rate was above the national average between 2002 and 2006. Economic growth was relatively weak in 2007 but recent growth has closed about half the Canada-BC gap in the *level* of real GDP per capita, a more stable measure than GDP *growth*. Personal disposable income beat the national average in 2006 and 2007, turning around a gap that opened in 1998 and reached $544 per person in 2000. Five years of better than average employment growth pushed BC's employment rate above Ontario's and the national average in 2007.

However, there is room for improvement in other key indicators. British Columbia's productivity has been essentially flat since 2001 and BC continues to lose ground in real exports per capita relative to other provinces and Organisation for Economic Co-operation and Development countries.

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Core Target 1

Economic Growth

Where BC Ranks

PROVINCIAL COMPARISON

Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Rank	10	7	4	9	5	5	3	2	3	8

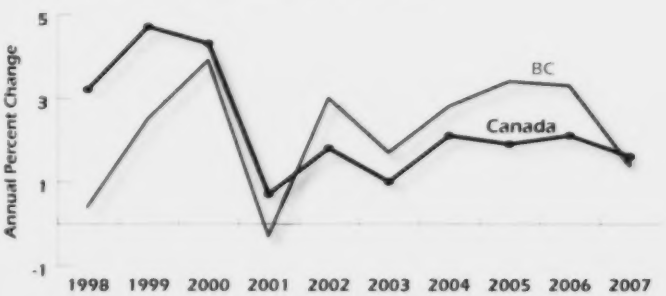
Core Target One is based on growth in inflation-adjusted Gross Domestic Product.

BC placed eighth in the Progress Board's target for economic growth in 2007, down from third in 2006. BC's growth rate was slightly below the national average in 2007.

British Columbia's growth exceeded Canada's by 1.1 percentage points, on average, between 2002 and 2006 but was 1.9 percentage points below Canada's between 1994 and 2001.

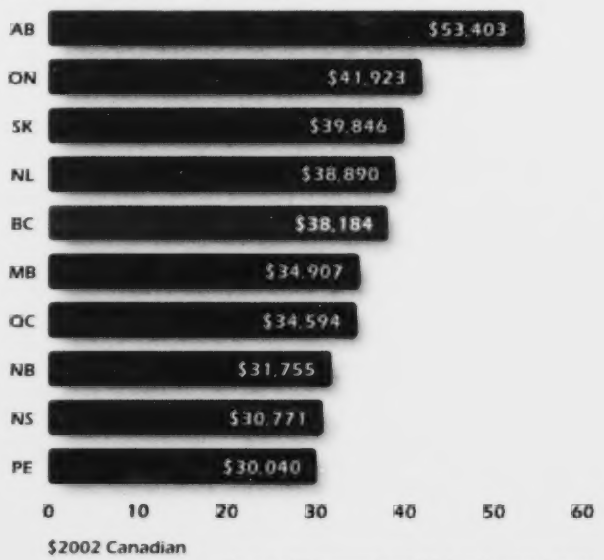
BC's level of real GDP per capita was fifth among the provinces in 2007. Alberta placed first and was well ahead of the rest of the country. The difference between first place Alberta and tenth place Prince Edward Island was about $23,000, with BC $15,000 below the top and $8,000 above the bottom extremes.

Growth Rate of Real GDP per Capita



Sources: BC Progress Board, BC Stats, Statistics Canada

Level of Real GDP per Capita, 2007



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Why It's Important

Slower growth in real GDP per capita results in reduced purchasing power, less real personal income, and lower real wages and salaries.

Note

Economic growth is often reported using growth in real GDP, as opposed to growth in real GDP *per capita* as presented above. BC ranked fourth in 2007 using this measure.

Core Target 1 Economic Growth

Where BC Ranks

Provincial Comparison

Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Rank	10	7	4	9	5	5	3	2	3	8

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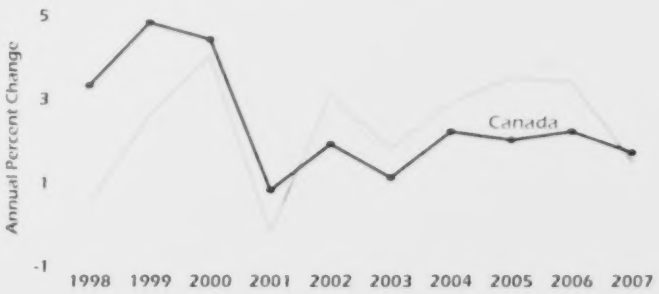
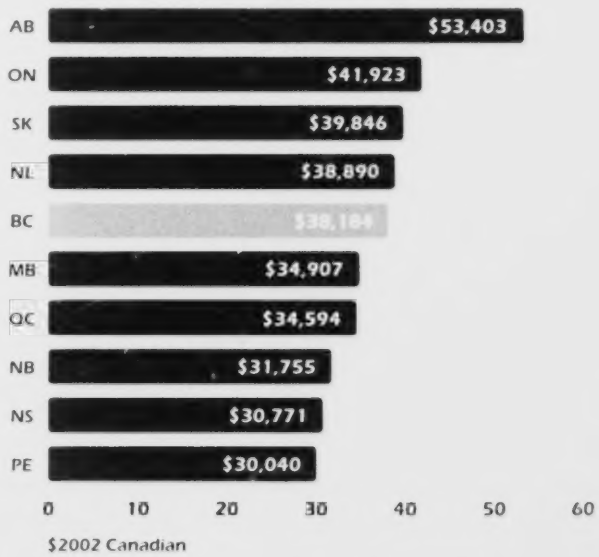


Level of Real GDP per Capita, 2007



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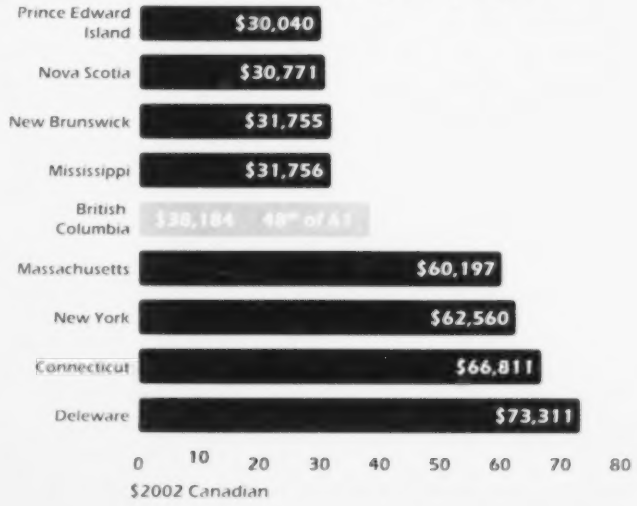
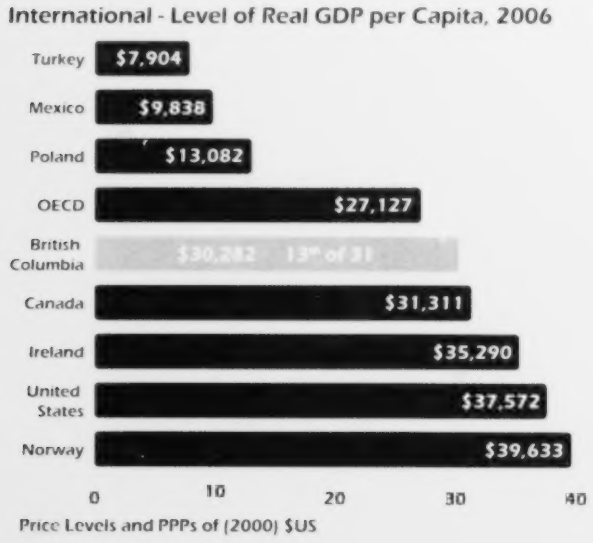
Core Target 1 Economic Growth

North American Comparison

In North America, BC earned the 23rd rank for real GDP per capita growth in 2007, down from 9th in 2006.

As with the provincial comparison, BC's rank was more consistent for the level of real GDP per capita. It ranked 48th out of 61 sub-national jurisdictions in Canada and the United States in 2007 and has moved between 49th and 52nd since 1998. BC sits roughly $35,000 below second place Delaware and $8,000 above last place Prince Edward Island.





International Comparison

As with the other comparisons, BC's real GDP growth rate has fluctuated considerably. Ranks range from fifth in 1993 to 29th in 2001; in 2006 BC was eighth.

BC has achieved a relatively high ranking for GDP level. It ranked 13th in 2006 in real GDP per capita among OECD countries, well ahead of last-place Turkey but still lagging considerably behind first place Norway.

BC was ranked 10th for GDP level in 1992 but fell to 13th by 1996 and to a low of 15th place in 2001 due to stagnant growth in the 1990s. Recent growth has helped bring the province's ranking back up amongst the 31 jurisdictions used for the international comparison.

Notes

The District of Columbia and Luxembourg are treated as statistical anomolies and are excluded from the presentation. **Currencies:** Canadian and North American comparisons are in Canadian dollars; the international comparison is in US dollars.

Core Target 1 Economic Growth

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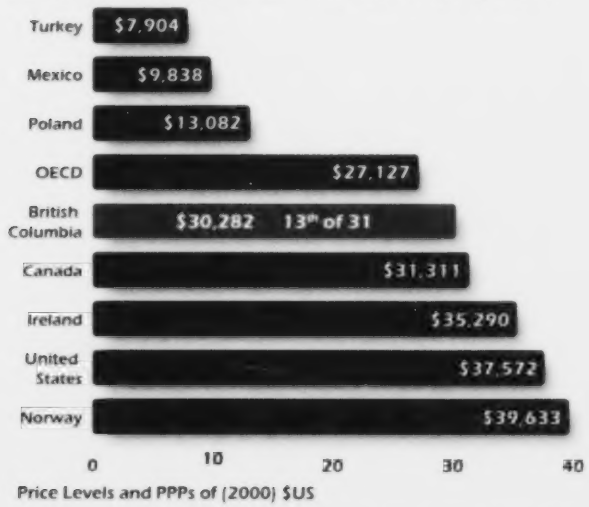
North America - Level of Real GDP per Capita, 2007

International - Level of Real GDP per Capita, 2006



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Core Target 2

Personal Income

Where BC Ranks

PROVINCIAL COMPARISON

Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Rank	3	3	3	3	3	3	3	3	3	3

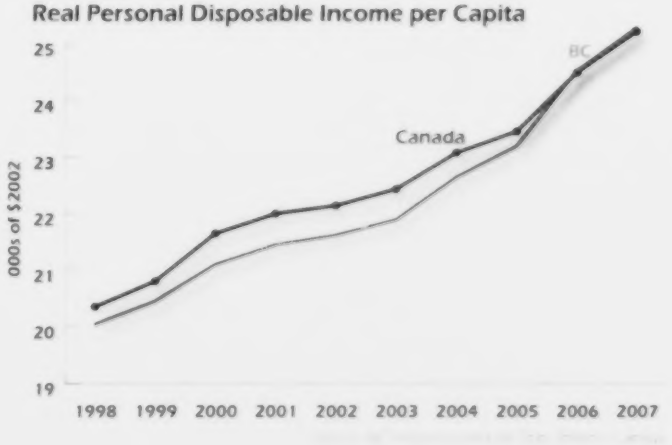
Core Target Two tracks the level of personal disposable income (PDI) per person.

After eight years below average, BC returned to above average real personal disposable income per capita in 2006 and saw a small improvement in 2007.

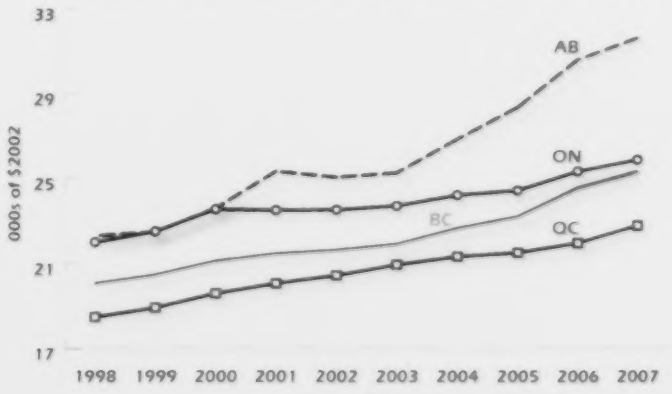
Personal income in BC was $1,100 above Canada's in 1990. It declined to $410 above in 1995 then to $308 below in 1998 and continued to deteriorate to $544 below in 2000. The income gap in BC improved to $262 below Canada's in 2005 and real PDI per capita was $66 above Canada's in 2007.

Among the Canadian provinces, BC has been in third place since being overtaken by Alberta in 1991. Alberta has increased its real personal disposable income per capita substantially since the mid 1990s.

Real Personal Disposable Income per Capita



Provinces ~ Real Personal Disposable Income per Capita



Why It's Important

Real personal disposable income per capita provides an indication of a person's spending power and standard of living. It represents someone's income, after subtracting income taxes, CPP and EI contributions and various fees, such as medical insurance premiums.

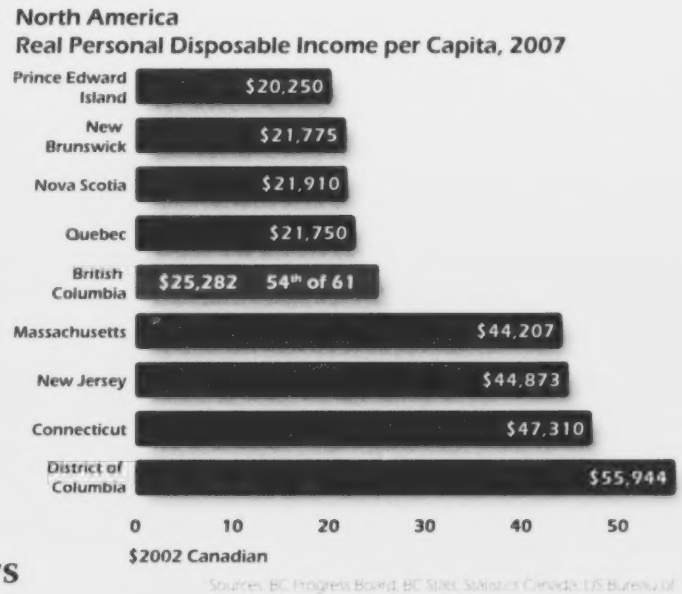
Core Target 2 Personal Income

North American Comparison

BC ranked 54th of 61 in North America in 2007. The top five jurisdictions in 2007 are all located in the northeastern United States.

Except for Alberta at 39th place, the bottom positions are all occupied by provinces.

BC's real personal disposable income per capita was roughly $5,000 above lowest ranked Prince Edward Island but $3,000 below the lowest ranked state, Mississippi, and $30,000 below first place District of Columbia.



Sources: BC Progress Board, BC Stats, Statistics Canada, US Bureau of Economic Analysis, US Census Bureau

BC Incomes: Headlines and Facts

In its release of the 2006 Census, Statistics Canada painted a bleak picture of incomes and earnings in the province of British Columbia over the past 25 years; even over the past five years as the provincial economy expanded, the numbers looked bad. This "bad news" story was widely reported throughout the province but it did not reflect on why median incomes had changed.

Statistics Canada asserted that, once adjusted for inflation, between 1980 and 2005 individuals working full time, full year, in the province of BC saw their median earnings fall by 11.3 percent (the 1981 and 2006 Census reports income changes between 1980 and 2005). Even over the most recent Census period (reporting 2000 and 2005 incomes), earnings for those who worked full time, full year fell by 3.4 percent – a period considered by most to be a prosperous time in the province.

So did we all grow a little poorer between 2000 and 2005? Not really. When we look at why the changes occurred, we see a much more positive picture of changing earnings and employment in the province. But before we consider the why, a comment needs to be made about how the provincial totals were developed.

The Uninformative Facts

"Following a slight decline between 1980 and 2000, median earnings of Canadians employed on a full-time basis for a full year grew a moderate 2.4% between 2000 and 2005, rising from $40,443 in 2000 to $41,401 in 2005."

"Quebec and British Columbia were the only two provinces to record a decline between 2000 and 2005. In British Columbia—a province that experienced higher-than-average employment growth—median earnings for individuals fell by 3.4%, to $42,230."

Earnings and Incomes of Canadians Over the Past Quarter Century, 2006 Census, Cat: # 97-563-X

Core Target 2

Personal Income

Inflation adjustments made by Statistics Canada to provide data in constant dollars (2005) were made using the same national Consumer Price Index (CPI) deflator for all provinces and regions throughout Canada. The inflation adjustment made by Statistics Canada overestimates the income declines that were observed in the province because BC had lower inflation than the national average between 2000 and 2005.

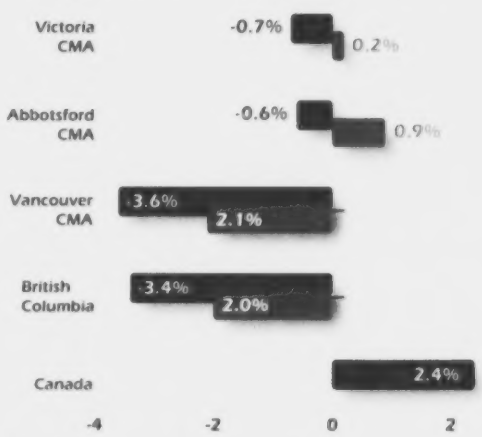
Using the BC specific inflation rate to adjust BC incomes shows that full time, full year incomes actually fell by 2.0 percent rather than the 3.4 percent reported by Statistics Canada (see figure). While still a decline, adjusting the income data for the Abbotsford and Victoria Census Metropolitan Areas (CMAs) by their respective inflation rates resulted in full time, full year incomes growing in these communities between 2000 and 2005 rather than the declines reported by Statistics Canada (-0.6 and -0.7 percent respectively).

Even with the appropriate inflation adjustment, median incomes for full time, full year workers in the province and the Vancouver CMA declined. However, there is good news hidden in these changes.

Relatively strong provincial economic performance between 2000 and 2005 – where the unemployment rate fell from 8.5 to 6.0 percent – changed the structure of employment in BC and contributed to declines in median earnings.

Between 2000 and 2005, while full time employment for all age groups grew by ten percent, full time employment for those aged 15 to 24 grew by more than double this rate (21 percent). With a median income that is only 50 percent of that for all age groups ($22,074 versus $50,855), more rapid growth in the younger employment cohorts would again lead to a fall in median incomes for the province's full time, full year workers. The good news hidden here is that our youngest cohort of workers (15 to 24 year olds) – those who will be in the labour force for at least the next three decades – saw their median incomes increase faster than all age groups, growing by 14 percent between 2000 and 2005.

Change in Median Income, 2000 to 2005



Sources: Labour Futures, Statistics Canada

Full time full year employment is the norm over one's working life. However, part time employment is an important component of a healthy economy as it accommodates most students who work through their school years – which can now easily last into the early 30s – as well as working parents and retirees who have decided to keep a part time foot in the labour market. Between 2001 and 2006, part time employment in BC grew by 16 percent and full time grew by nine percent. With a median income that is understandably lower than that for full time ($12,111 versus $42,230), adding part time jobs for students, working parents or retirees at a more rapid rate than full time positions would

Core Target 2 Personal Income

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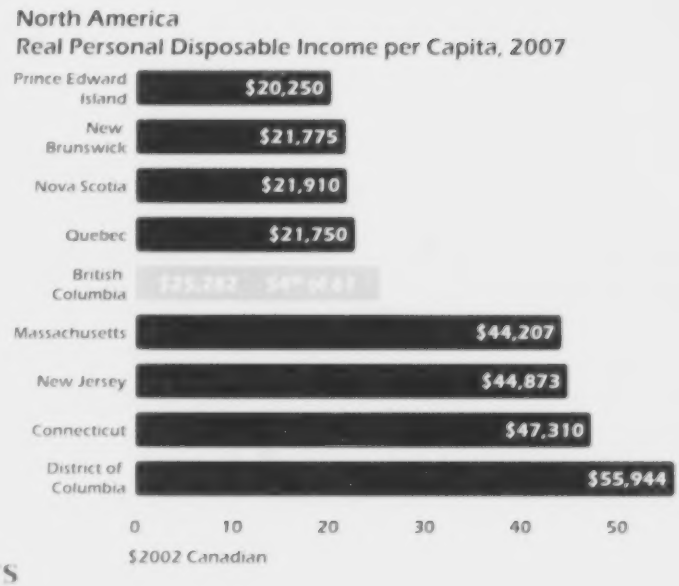

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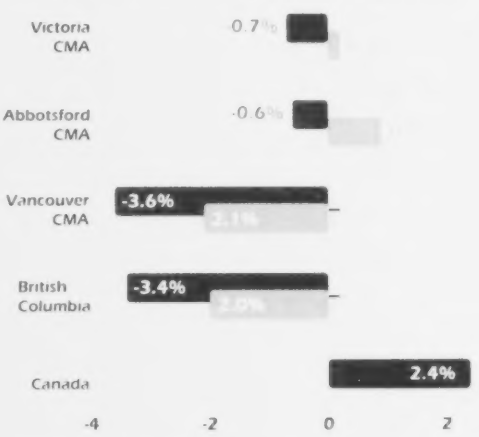
Between 2000 and 2005, while full time employment for all age groups grew by ten percent, full time employment for those aged 15 to 24 grew by more than double this rate (21 percent). With a median income that is only 50 percent of that for all age groups ($22,074 versus $50,855), more rapid growth in the younger employment cohorts would again lead to a fall in median incomes for the province's full time, full year workers. The good news hidden here is that our youngest cohort of workers (15 to 24 year olds) – those who will be in the labour force for at least the next three decades – saw their median incomes increase faster than all age groups, growing by 14 percent between 2000 and 2005.

Change in Median Income, 2000 to 2005



Full time full year employment is the norm over one's working life. However, part time employment is an important component of a healthy economy as it accommodates most students who work through their school years – which can now easily last into the early 30s – as well as working parents and retirees who have decided to keep a part time foot in the labour market. Between 2001 and 2006, part time employment in BC grew by 16 percent and full time grew by nine percent. With a median income that is understandably lower than that for full time ($12,111 versus $42,230), adding part time jobs for students, working parents or retirees at a more rapid rate than full time positions would

Core Target 2 Personal Income

again have the logical impact of pulling down median incomes for all employees. Again, good news hidden within the bad.

Another consideration of where compositional changes have had a significant impact is the comparison of incomes for recent immigrants and Canadian born populations. In addition to the bleak picture for BC workers, the Census also painted a picture of a significantly widening disparity between earnings of recent immigrants and Canadian born workers over the past 25 years. Statistics Canada's data show that in 1980 a recent immigrant could expect to earn 85 cents for every dollar earned by a Canadian born person. By 2005 this gap had grown, with a recent immigrant earning only 63 cents for each dollar earned by a Canadian born person.

Before concluding that things have gotten worse for immigrants, consider that in 1980 the typical recent immigrant was in their twenties, as was the typical Canadian citizen (the peak of the baby boomer generation), making the comparison appropriate, as both were in the same stage of their working careers. Shift forward to 2005 and, while recent immigrants are still typically in their twenties, the typical Canadian had grown a little older and a little greyer over this period. Now in their mid-forties, they were in the peak earning stage of their careers, with significantly higher incomes than two decades ago when they were in their mid 20s.

Compositional changes in these two populations over the past two decades make it impractical to compare their earnings, and impossible to draw conclusions about the relative well-being of each group. Reasonable comparisons would be the income of a 25 year old recent immigrant and that of a 25 year old Canadian born person, or a 45 year old recent immigrant and a 45 year old boomer.

So, contrary to the headlines, the 2000 to 2005 period was a good time to be employed in BC as a wide range of employment opportunities were created. Adding all these jobs changed the composition of employment and earnings, which, for the province of BC, resulted in a fall in median earnings. While the statistics were correct, considering why they were so paints not a bleak but a bright picture for BC over the past five years.

Finally, it is important to note that all of the headlines focused on the incomes of individuals, with little mention of the situation for households. As we typically live, earn and spend in households, it is also important to know how households were doing. Between 2000 and 2005 household income growth in British Columbia actually beat inflation, with inflation adjusted median household incomes increasing by 1.8 percent, not far off the 2.3 percent increase seen Canada wide over the same period.

In navigating into a period of increasing economic uncertainty, the most important conclusions to be drawn from the Census data, and the headlines that followed, are that changes in measures of central tendency, be they the mean, the median or the mode, may tell us what is happening, but they tell us little about why those changes are occurring. In an increasingly diverse society in terms of the people, the places and the types of work activity, we must look much more carefully at the data if we are going to have meaningful discussions about the changing dimensions of our communities.

Source: Urban Futures

Core Target 3

Employment Rate

Where BC Ranks

PROVINCIAL COMPARISON

Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Rank	5	5	5	6	6	6	5	5	5	4

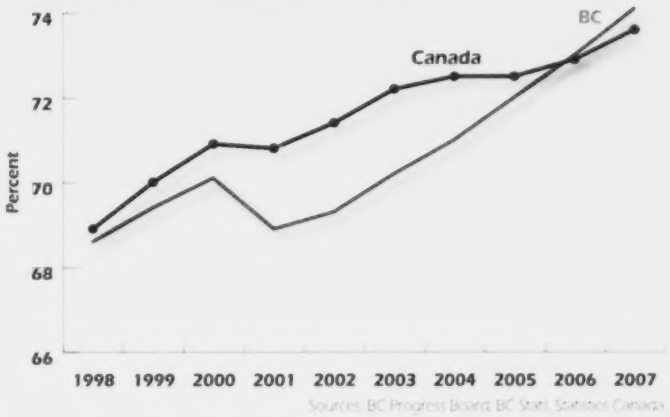
Core Target Three is the percent of the population (ages 15 to 64) that is employed. The higher the employment rate, the better the rank.

British Columbia exceeded the national average in the employment rate in 2006 and 2007. The Canadian average for 2007 was 73.6 percent.

Alberta, Saskatchewan, and Manitoba were well ahead of the average. British Columbia pulled ahead of Ontario to earn fourth place in 2007. The last time it was in fourth place was the period 1992 through 1997.

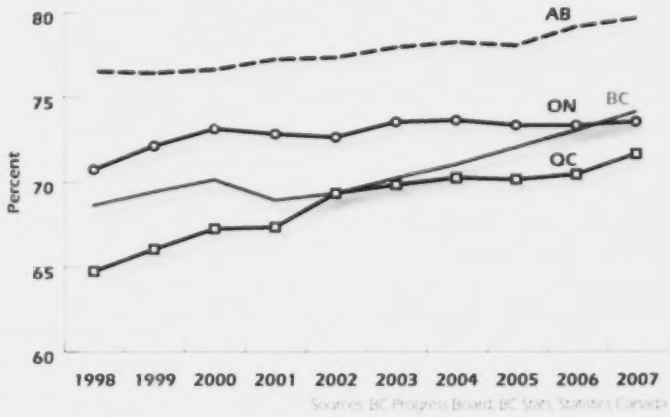
Relative to the change in population, BC created the most jobs in the country in 2005 and was second best in 2006 and 2007. In 2007, BC created three-quarters as many jobs as Ontario, but with only one-third the population base.

Employment Rate (Ages 15 to 64)



Sources: BC Progress Board, BC Stats, Statistics Canada

Provinces ~ Employment Rate



Sources: BC Progress Board, BC Stats, Statistics Canada

Why It's Important

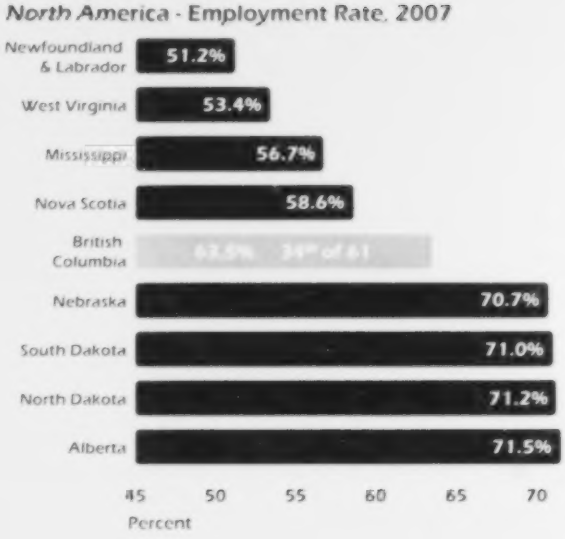
The employment rate is an effective measure of the rate of labour utilization. Indeed, high labour utilization traditionally accompanies strong economic activity.

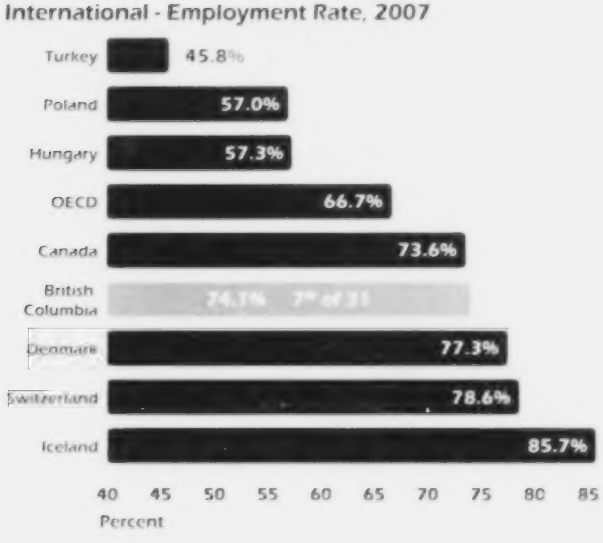
Core Target 3 Employment Rate

North American Comparison

BC's employment rank in North America was 34th of 61 in 2007. BC sits above the mid-point in the approximately 20 percentage point difference between bottom ranked Newfoundland & Labrador and top ranked Alberta.

BC's recent low point was its 53rd place in 1998. Strong employment growth produced the province's best showing in the last 18 years.





International Comparison

BC has relatively high employment when compared to OECD countries. In 2007, BC ranked seventh out of 31 jurisdictions in its employment to population ratio. Its employment rate was 7.4 percentage points ahead of the OECD average.

Notes

North America: For this comparison, people aged 15 years and over in Canada are included for both population and employment, while in the United States people aged 16 years and over are included.

Core Target 3 Employment Rate

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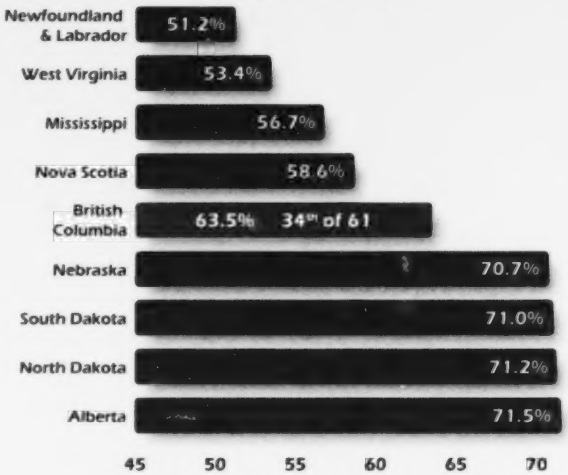
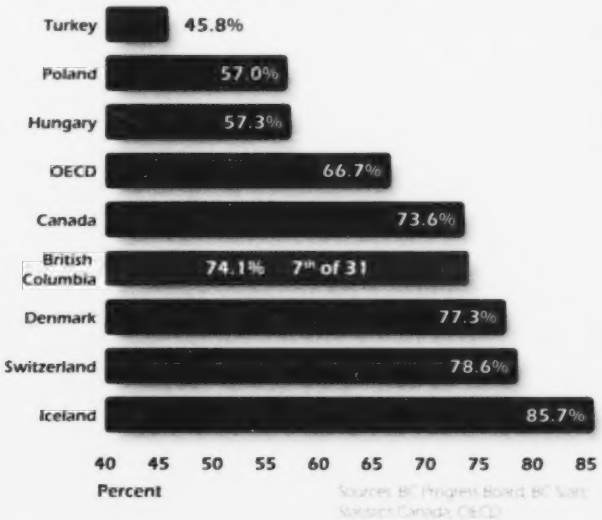
North America - Employment Rate, 2007



Sources: BC Progress Board; BC Stats; Statistics Canada; US Bureau of Labor Statistics

International - Employment Rate, 2007



Sources: BC Progress Board; BC Stats; Statistics Canada; OECD

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Performance Indicator 1

Hourly Wage

Where BC Ranks

PROVINCIAL COMPARISON

Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Rank	3	3	3	3	3	3	3	3	3	3

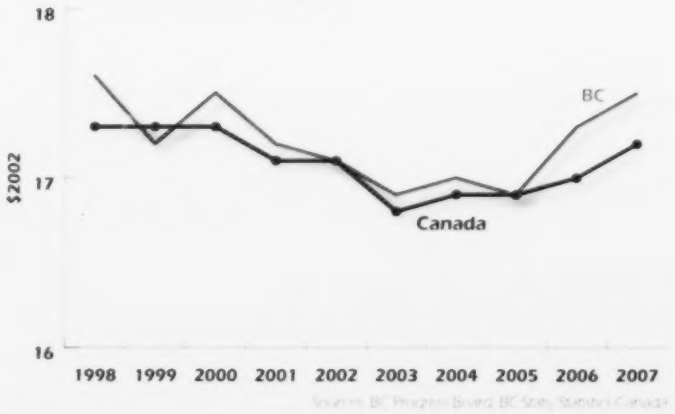
Performance Indicator One follows the inflation-adjusted average hourly wage rate. As this indicator is ranked from the worker's perspective, a higher wage earns a better rank.

In 2007, BC ranked third in real average hourly wage in Canada, as it has since 1998. Alberta was second from 1998 through 2004 but overtook Ontario at first in 2005.

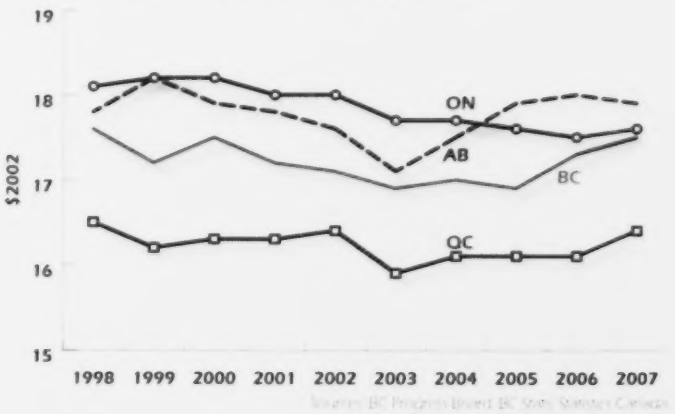
Between 1998 and 2007, the real average hourly wage fell in BC, earning the province an eighth place ranking for improvement among the provinces. The wage rate also fell in Ontario and Quebec over this period.

Wage growth between 2005 and 2007 brought BC back up to its 2000 level.

Real Average Hourly Wage



Provinces ~ Real Average Hourly Wage



Why It's Important

Real average hourly wages are a useful measure of individual prosperity. Flat real wages indicate that wages are simply keeping up with increases in living expenses.

Performance Indicator 2

Productivity

Where BC Ranks

PROVINCIAL COMPARISON

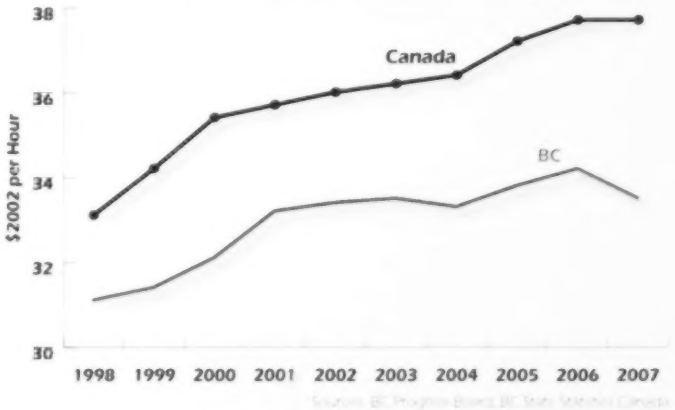
Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Rank	5	5	5	5	6	6	6	6	6	6

Performance Indicator Two tracks the inflation-adjusted value of Gross Domestic Product per hour worked in the business sector of the economy.

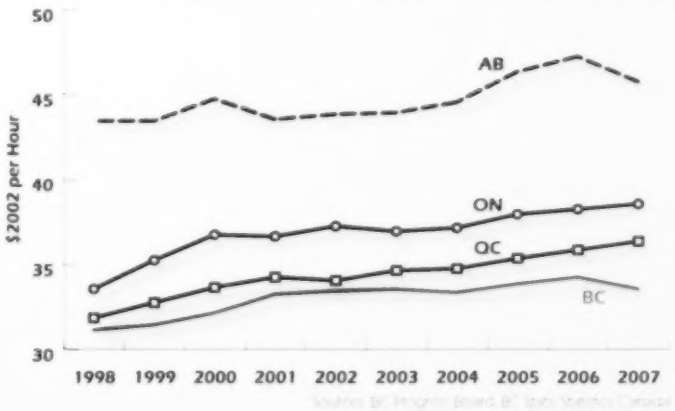
BC achieved a sixth place ranking in productivity among the provinces in 2007. Alberta held the first place rank through the entire 1998 to 2007 period. Since 1998, BC has consistently been below the Canadian average in real GDP per hour worked.

Two new BC Progress Board Advisory Reports, released on December 12th, 2008, detail BC's relative performance and suggest changes to enhance business sector investment, which is a key productivity driver.

Real GDP per Hour Worked (Business Sector)



Provinces ~ Real GDP per Hour Worked (Business Sector)



Why It's Important

In its simplest terms, productivity and productivity growth determine how much a jurisdiction can produce and consume given finite resources. For a business, surviving in competitive markets means being as productive as possible; that is, producing as much output per unit of capital and labour as possible. For an individual worker, productivity levels ultimately determine the wage they can demand in a market. And at a broad societal level, productivity growth holds the key to funding critical public services such as infrastructure, health care, education and other social services that are fundamental to a high quality of life.

Performance Indicator 3

Exports

Where BC Ranks

PROVINCIAL COMPARISON

Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Rank	7	7	7	7	8	8	8	8	8	9

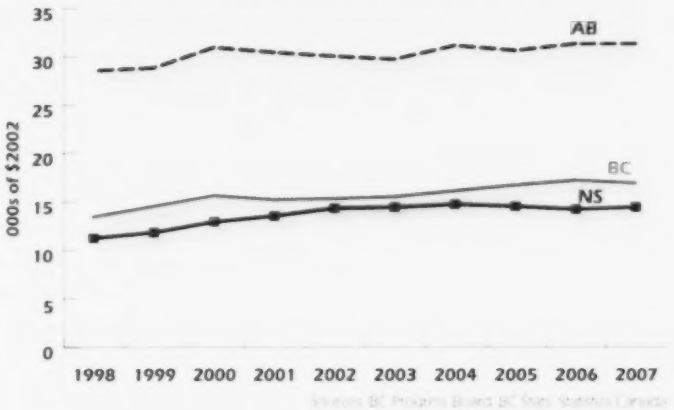
Performance Indicator Three is based on the inflation-adjusted value of goods and services exported to other provinces and countries. Higher export levels earn better ranks.

In 2007, BC ranked ninth in per capita exports, down from eighth in 2006 and seventh in 2001. Alberta has ranked first since at least 1991. British Columbia was surpassed by Quebec in 2002 and by Prince Edward Island in 2007.

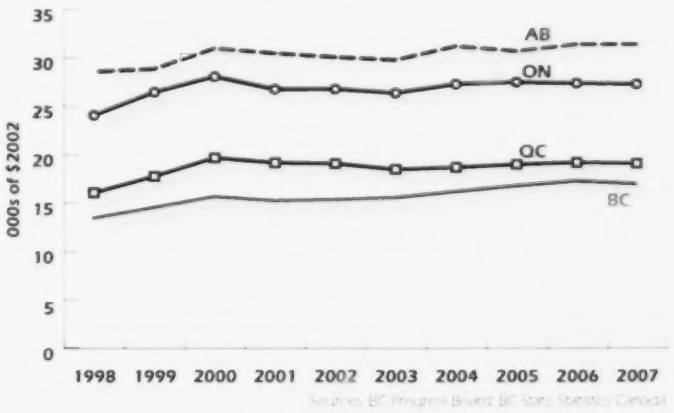
BC's performance is driven by weak international goods exports. BC's goods exports to other countries grew by 18 percent between 1990 and 2007. The next lowest growth rate was 92 percent in Alberta.

BC performs well on interprovincial goods and service exports and although it earned a low rank on international exports of services, its 1990 to 2007 percent growth was not far from most other provinces.

Total Exports of Goods and Services per Capita



Provinces ~ Exports per Capita



Why It's Important

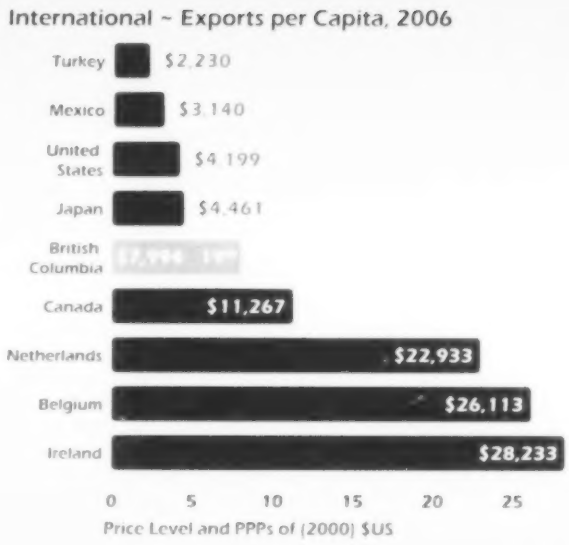
Strong exports tend to increase productivity and income levels in a jurisdiction due to additional markets available beyond the domestic market.

Performance Indicator 3 Exports

International Comparison

In 2006, British Columbia ranked in the middle of the pack (19th) of Organisation for Economic Cooperation and Development (OECD) jurisdictions with $7,995 of international exports per person. This was roughly four times as large as bottom ranked Turkey but only about 30 percent of top ranked Ireland.

British Columbia ranked better, on average, during the 1990s when it earned either 12th, 13th or 14th place. BC was overtaken by the Czech Republic in 2000, by Hungary and Germany in 2001, by the Slovak Republic in 2002, by Korea in 2004 and by the United Kingdom in 2006.



Import Intensity of Exports

The BC Progress Board recently asked BC Stats to undertake an examination of the embedded imports in BC's exported goods. A study, "The Import Content of Exports: A British Columbia Perspective" and a summary article are available on the BC Stats website.

Import content in exports is of interest because only the value-added portion of exports – after removing the value of imports – is of benefit to the exporting juridsiction. The iPod is a useful example. Trade statistics list it as made in China but its components come from other Asian countries and it is only assembled in China. Although the full value of the export is credited to China only about five percent of the value is generated there.

Among the provinces, BC has relatively low import content in its exports due to its economic structure. Resource commodities generally have a far smaller import content than manufactured ones and BC's exports are predominantly resource based.

The difference between gross exports and value-added exports (those with imports removed) has been consistent in BC, ranging between five and six percentage points of GDP between 1996 and 2004.

Notes

A Canadian average is not available for this indicator because it is constructed with the Fisher index formula.

Performance Indicator 3 Exports

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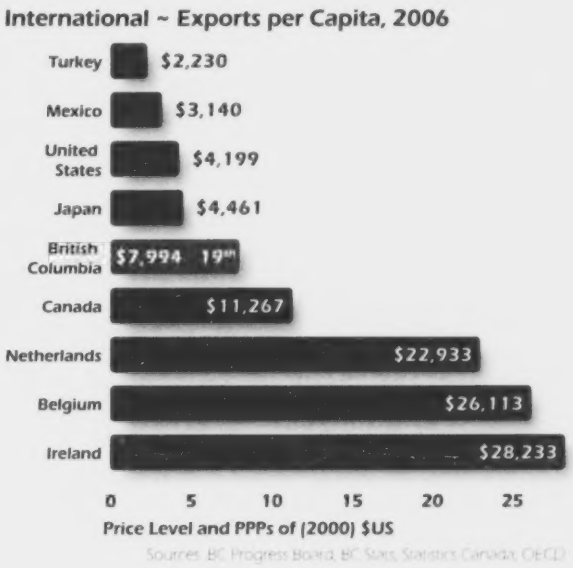

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Performance Indicator 4

Debt

Where BC Ranks

PROVINCIAL COMPARISON

Year	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Rank	n/a	2	2	2	3	2	2	2	2	2

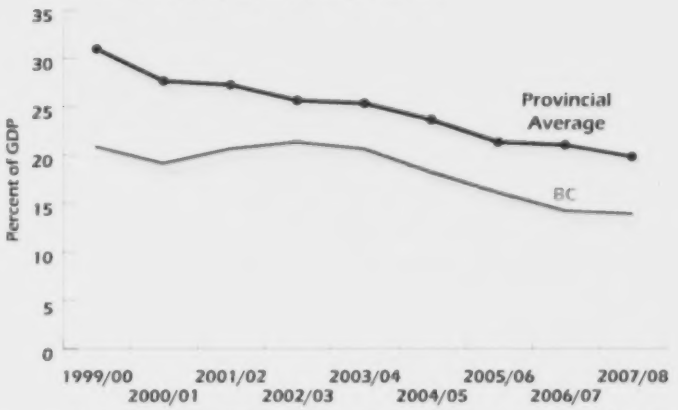
Performance Indicator Four tracks government direct debt plus the debt of dependent Crown Corporations and agencies. Lower debt burdens earn better ranks.

In 2007/08, BC scored extremely well, posting the second-lowest ratio. Alberta ranked first, having eliminated its debt.

In 2007/08, BC's taxpayer-supported debt was 77 percent of the province's total debt burden. The remaining amount was self-supported debt incurred by commercial Crown Corporations and agencies that carry and repay their own debt.

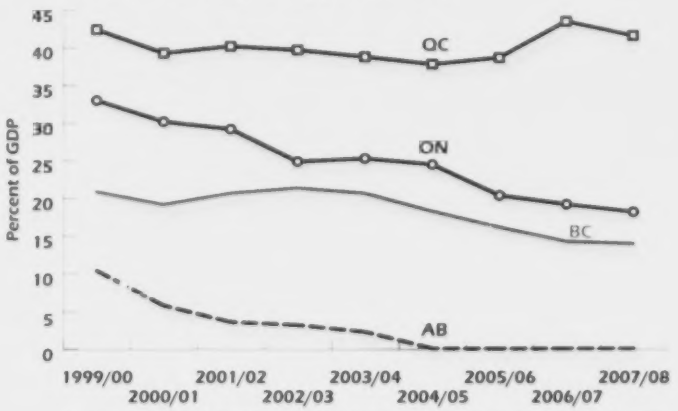
British Columbia's taxpayer-supported debt to GDP ratio was 13.8 percent in 2007/08, which is 34 percent lower than in 1999/00.

Provincial Taxpayer-Supported Debt



Sources: BC Stats, Statistics Canada, TD Economics, provincial Budgets and Public Accounts

Provinces ~ Taxpayer-Supported Debt



Sources: BC Stats, Statistics Canada, TD Economics, provincial Budgets and Public Accounts

Why It's Important

Payments to service taxpayer-supported debt can consume a large portion of a jurisdiction's budget, thereby diminishing its capacity to provide public services. The debt burden is also an important indication of a jurisdiction's attractiveness for business investment. A low debt ratio allows a wider range of policy responses to difficult economic times.

Note

The data used in this indicator may not match the BC definition of taxpayer-supported debt due to accounting differences among provinces.

Performance Indicator 5

Tax Burden

Where BC Ranks

PROVINCIAL COMPARISON

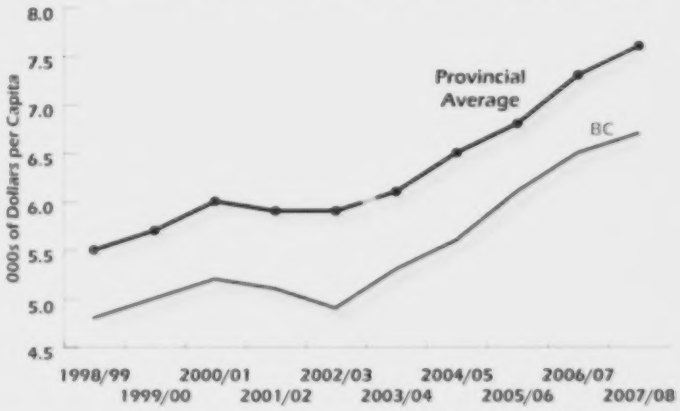
Year	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Rank	6	8	6	7	5	6	6	7	6	6

Performance Indicator Five uses the consolidated tax burden of the provincial and local governments. The lower the tax burden the better the rank.

BC posted the sixth lowest consolidated provincial and local government tax burden in Canada at $6,707 in 2007/08. From 1998/99 onward, BC experienced a 38.8 percent increase in this tax burden, the third-smallest in the country.

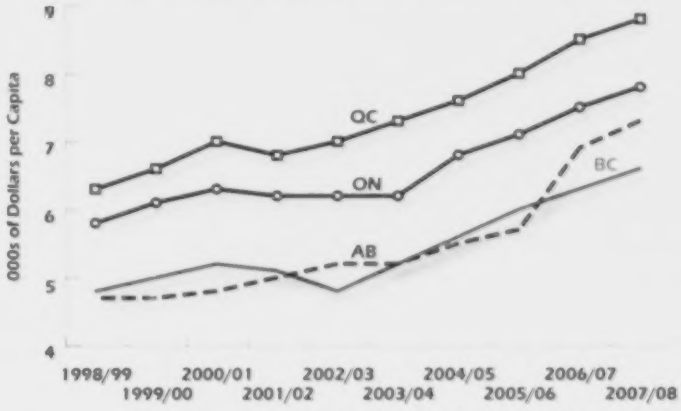
From 1998/99 to 2007/08, BC saw the per capita consolidated provincial and local government tax burden rise by $1,874. In comparison, Alberta recorded an increase of $2,551 and Ontario posted an increase of $1,943.

Consolidated Local-Provincial Tax Burden per Capita



Sources: BC Progress Board, BC Stats, Statistics Canada

Provinces ~ Consolidated Local-Provincial Tax Burden



Sources: BC Progress Board, BC Stats, Statistics Canada

Why It's Important

This indicator is a summary measure of the "total" provincial and local tax burden, and along with other factors such as the regulatory burden, infrastructure quality, and access to quality health care and education, can help to determine business location and investment decisions. This indicator represents the combined tax burden from local and provincial sources, expressed on a per person basis.

Performance Indicator 6

Tax Rate

Where BC Ranks

PROVINCIAL COMPARISON

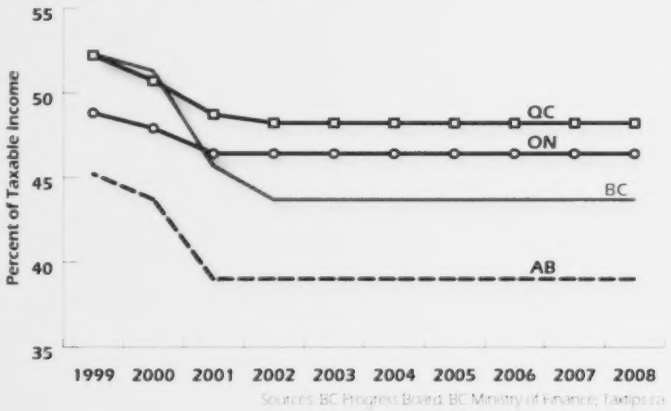
Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Rank	9	9	3	2	2	2	2	2	2	2

Performance Indicator Six follows the combined federal-provincial tax rate on the highest income bracket.

BC's top marginal personal tax rate was the second-lowest among the provinces in 2008, the same rank it has held since 2002. Nova Scotia had the highest rate and, therefore, the lowest rank in 2008.

Alberta had the lowest rate and earned the top rank over the 1999 to 2008 analysis period.

Top Marginal Personal Income Tax Rate



Sources: BC Progress Board, BC Ministry of Finance, Taxtips.ca

Why It's Important

The top marginal (combined federal and provincial) income tax rate is a key factor in a jurisdiction's ability to attract and retain highly skilled workers and leading innovators. High marginal tax rates tend to discourage additional work effort and lessen the growth of real GDP. The top marginal personal income tax rate is the combined federal-provincial income tax rate levied on the highest income bracket. The top rate takes effect at various income thresholds as noted in the box below.

Federal and Provincial Top Marginal Tax Rates and Income Thresholds for Individuals - 2008

	BC	AB	SK	MB	ON*	QC**	NB	NS*	PE*	NL*	Federal
Tax Rate (%)	14.70	10.00	15.00	17.40	17.41	19.22	17.95	19.25	18.37	18.07	29.00
Income Bracket	$97,637 and over	All income	$111,185 and over	$66,001 and over	$72,042 and over	$75,001 and over	$113,274 and over	$93,001 and over	$63,970 and over	$60,430 and over	$123,185 and over

Notes: * Ontario, Nova Scotia, Prince Edward Island and Newfoundland and Labrador levy surtaxes in their personal income tax systems; the income brackets shown are those that apply to the top statutory rates. **The abatement of basic federal tax is incorporated.

Performance Indicator 6

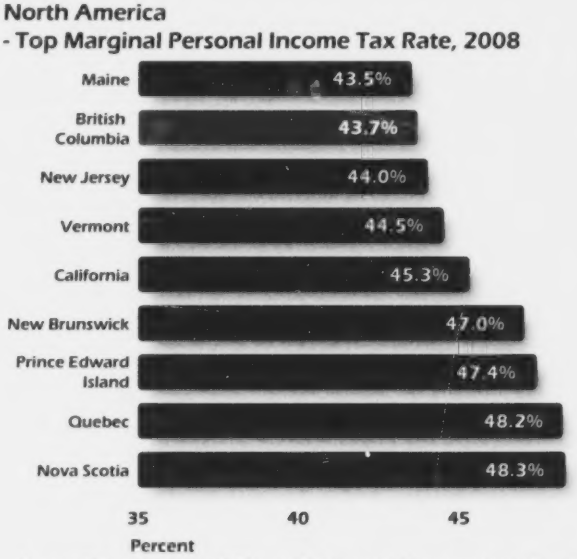
Tax Rate

North American Comparison

Seven states levy no personal tax so the top marginal rate in these jurisdictions is the federal rate of 35 percent. This is below Alberta's 39 percent.

British Columbia's top marginal rate is slightly below the states identified as having the highest personal income tax burden.

In general, combined federal-provincial rates in Canada are higher than the combined federal-state rates south of the border.



Sources: BC Progress Board; BC Ministry of Finance and Ministry responsible for the Olympics; KPMG; US Internal Revenue Service; The Federation of Tax Administrators

Business Tax Competitiveness

As the economy becomes increasingly global and experiences continual technology advances, physical location becomes less important. A brief examination of some of the world's top economic growth performers (Hong Kong, Korea, Singapore and Ireland) illustrates that BC and Canada share many of the ingredients of these jurisdictions' success: a highly educated population, advanced transportation and communications infrastructures, and export-oriented production.

The only key difference appears to be effective tax rates that are far above those of competing jurisdictions.

While British Columbia's and Canada's corporate tax rates appear competitive with other global jurisdictions in analyses that use simple statutory corporate income tax rates, this does not always present a true picture of the real costs investors face; a variety of other taxes and tax related factors combine to influence the effective tax rate investors pay.

Capital taxes, sales and excise taxes, inventory and depreciation deductions, and personal and investment taxes all affect the rate of return that a business receives on its investment.

Continued on following page.

Notes

A North American rank is not practical for this indicator because of the difficulties in comparing tax systems for all the states to those in the provinces.

BUSINESS TAX COMPETITIVENESS - Continued from previous page

It is this expected rate of return that any potential investor will use in comparisons with other jurisdictions. By limiting investor returns, high effective tax rates reduce the likelihood of investments in productivity-enhancing capital projects and new technologies that could otherwise serve to raise wages and increase standards of living.

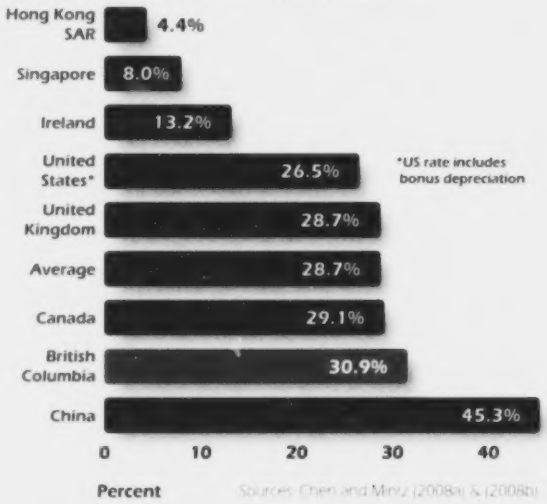
Canada had the 11th highest effective tax rate among 80 countries in 2008. Canada's rate of 29.1 percent is slightly higher than the size-weighted average effective tax rate on capital across all eighty countries.

Canada's rate is down by more than ten percentage points from a fourth highest rate of 39.3 percent in 2005. Ongoing federal and provincial tax cuts will help to further reduce rates. The announced goal of a 25 percent statutory rate, consisting of a 15 percent federal rate and a common 10 percent provincial rate, is a good target in today's environment. Already announced federal and provincial reductions will improve Canada's rank to 23rd by 2011. While changes in other countries will affect where Canada ultimately ranks in the future, the changes since 2005 and those planned for the next few years are impressive.

A comparison of effective tax rates shows that BC had the third highest rate among the provinces in 2007 with a rate 8.6 percentage points above Alberta, but 5.4 percentage points below Ontario.

Competitive tax rates and fiscal policies are a key factor found in Canada's most

Effective Tax Rates on Capital, 2008



Sources: Chen and Mintz (2008a) & (2008b)

successful competitors. Tax rates are not the whole story as companies also look for a number of other factors including a skilled and educated labour-force, efficient infrastructure, easy access to services inputs and transportation routes.

British Columbia has made progress, but must continue its efforts to be both a less expensive place to do business, and a better place to do business. The recommendations contained in the Board's report: *Investment in British Columbia: Current Realities and the Way Forward* are aimed at achieving this.

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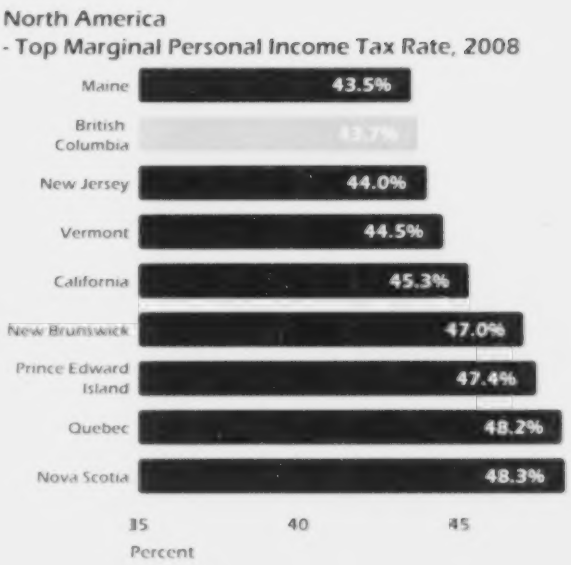
Performance Indicator 6 Tax Rate

North American Comparison

Seven states levy no personal tax so the top marginal rate in these jurisdictions is the federal rate of 35 percent. This is below Alberta's 39 percent.

British Columbia's top marginal rate is slightly below the states identified as having the highest personal income tax burden.

In general, combined federal-provincial rates in Canada are higher than the combined federal-state rates south of the border.



Business Tax Competitiveness

As the economy becomes increasingly global and experiences continual technology advances, physical location becomes less important. A brief examination of some of the world's top economic growth performers (Hong Kong, Korea, Singapore and Ireland) illustrates that BC and Canada share many of the ingredients of these jurisdictions' success: a highly educated population, advanced transportation and communications infrastructures, and export-oriented production.

The only key difference appears to be effective tax rates that are far above those of competing jurisdictions.

While British Columbia's and Canada's corporate tax rates appear competitive with other global jurisdictions in analyses that use simple statutory corporate income tax rates, this does not always present a true picture of the real costs investors face; a variety of other taxes and tax related factors combine to influence the effective tax rate investors pay.

Capital taxes, sales and excise taxes, inventory and depreciation deductions, and personal and investment taxes all affect the rate of return that a business receives on its investment.

Continued on following page.

Notes

A North American rank is not practical for this indicator because of the difficulties in comparing tax systems for all the states to those in the provinces.

Business Tax Competitiveness - Continued from previous page

It is this expected rate of return that any potential investor will use in comparisons with other jurisdictions. By limiting investor returns, high effective tax rates reduce the likelihood of investments in productivity-enhancing capital projects and new technologies that could otherwise serve to raise wages and increase standards of living.

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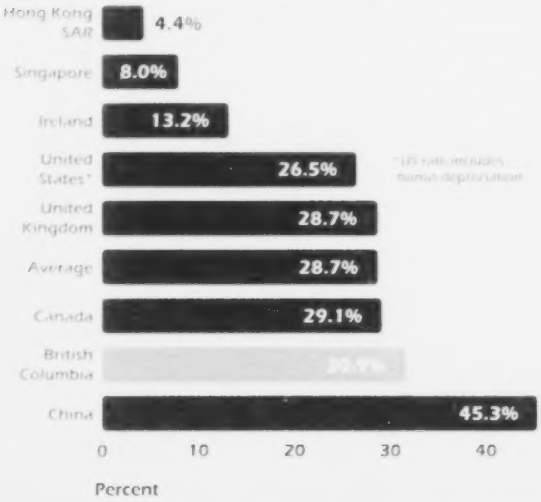

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Performance Indicator 7

Surplus/(Deficit)

Where BC Ranks

PROVINCIAL COMPARISON

Year	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Rank	7	6	2	9	9	6	2	2	2	3

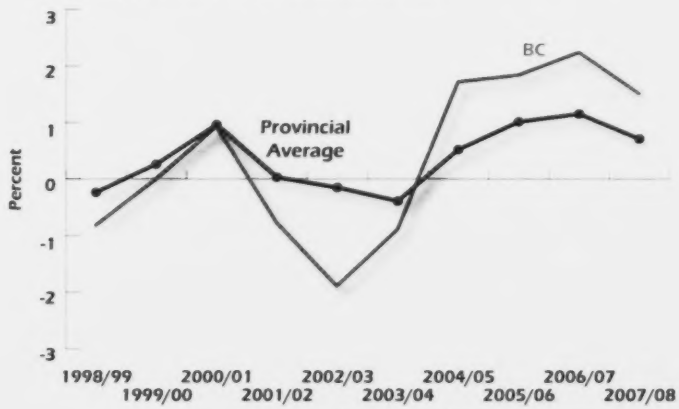
Performance Indicator Seven is based on the surplusses and deficits of the provincial governments as reported by the Federal government's Fiscal Reference Tables.

BC recorded the third largest surplus as a percent of GDP among the provinces in 2007/08, behind Newfoundland and Labrador and Alberta.

British Columbia has been in surplus for four years. Prior to this, deficits were the norm. BC posted deficits in 12 of 13 years between 1991/92 and 2003/04. In 2004/05, BC moved into a surplus position and overtook the provincial average. By comparison, Alberta and Saskatchewan have both been in surplus positions since 1994/95.

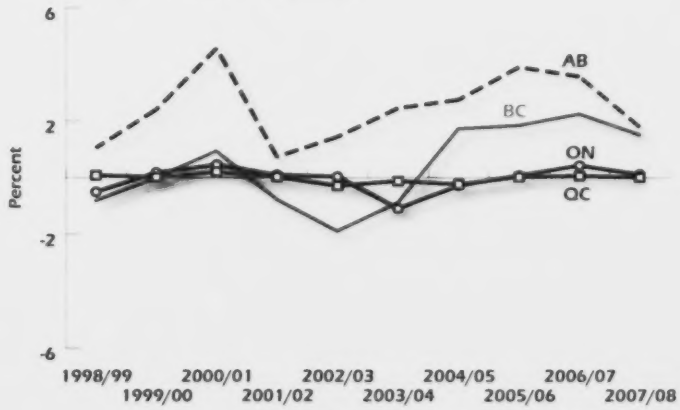
Every province except for Prince Edward Island was in surplus in 2007/08 and all provinces were in the two preceding years.

Surplus/(Deficit) as a Percent of GDP



Sources: BC Progress Board, Statistics Canada, Finance Canada

Provinces ~ Surplus/(Deficit)



Sources: BC Progress Board, Statistics Canada, Finance Canada

Why It's Important

Over time, successive deficits will increase the total debt level. Large portions of provincial budgets may then be required to finance accumulated debt burdens with money that could otherwise be spent on priority government programs or used to lower taxes.

Performance Indicator 8

Migration

Where BC Ranks

PROVINCIAL COMPARISON

Year	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Rank	8	8	6	7	6	2	2	2	2	3

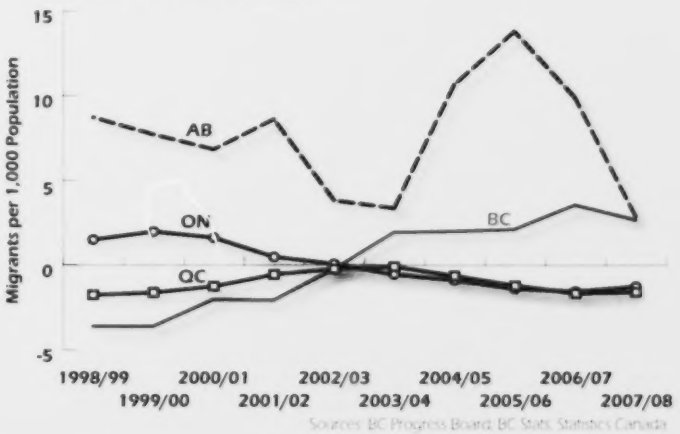
Performance Indicator Eight tracks the overall movement of Canadians from one province to another.

British Columbia had strong in-migration in the early 1990s but this flow turned negative in 1997/98. It returned to a positive flow in 2003/04.

Although BC is once again on the receiving end of migration among the provinces it dropped one rank position due to strength elsewhere. Saskatchewan went from significant losses and low ranks at the start of the decade to third place in 2006/07 and the top destination in 2007/08.

BC gained 51,342 migrants between 2003/04 and 2007/08, but lost 46,973 between 1998/99 and 2002/03. Maximum inter-provincial gains and losses have been roughly equal with BC losing 14,610 people in 1999/00 and gaining 15,005 in 2006/07.

Net Inter-Provincial Migration



Sources: BC Progress Board; BC Stats; Statistics Canada

On average, for the period 1998/99 through 2007/08, BC posted no change in inter-provincial migration relative to population. Alberta is the only other province with a non-negative change. It had an average annual increase of 7.6 people per 1,000 population over the 1998/99 to 2007/08 period.

Alberta gained 241,103 people from other provinces between 1998/99 and 2007/08, the largest increase of any province. BC (4,369) is the only other province with a net inter-provincial gain of people during this period. At the other end of the spectrum Quebec lost 81,292 people to other provinces over this period.

Why It's Important

Net inter-provincial migration can serve as an indicator of a jurisdiction's attractiveness as a place to invest and work. Migration is an important contributing factor to economic growth and in expanding the pool of young, highly skilled workers. Historically, there has been a correlation between inter-provincial migration flows and the relative economic strengths and weaknesses of a given jurisdiction.

Performance Indicator 8 Migration

North American Comparison

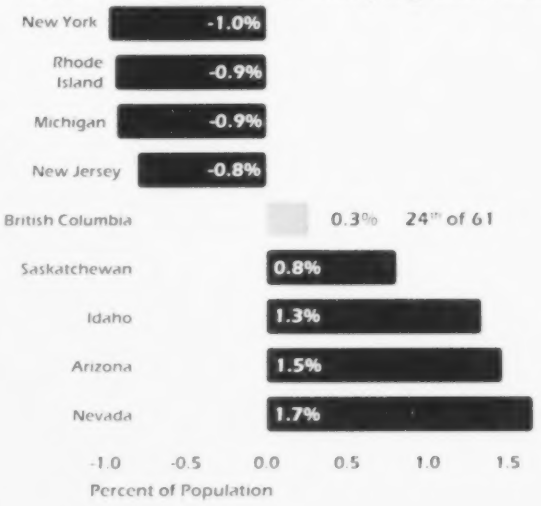
BC had a downward trend in net inter-provincial migration from the 1992 peak of 1.2 percent of population to a trough of negative 0.4 percent in 1999. Losses decreased between 2000 and 2002 and BC has been gaining people from other provinces since 2003.

British Columbia placed 24th among the 61 subnational jurisdictions on this indicator in 2007. New York, Rhode Island and Michigan all saw their population shrink by about one percent while Idaho, Arizona and Nevada saw the largest gains.

Weakness in the US housing market may have affected people's ability to move from state to state. The 2007 out-migration of one percent of population from New York is considerably smaller than the 17 year average outflow of 2.4 percent. Similarly, the 1.7 percent in-migration to Nevada is well below the 2.8 percent average inflow.

Inability to sell one's home could act as a drag on recovery in the US as people are not able to move to areas of the country with better opportunities.

North America
~ Net Inter-Provincial (Inter-State) Migration, 2007



Population Change in Canada

British Columbia's population grew by 1.1 million people between 1990 and 2008.

British Columbia experienced a net outflow of people to other provinces in every year between 1997/98 and 2002/03 as the BC economy entered a slower growth phase and key competitors Alberta and Ontario improved their relative performance.

BC is one of three provinces to have a net population gain from migration between 1990/91 and 2007/08. The largest gain was Alberta's 327,000 and the smallest was the 669 people who moved to PEI. BC gained 206,000 people over this period.

Notes

US state values from 1990 through 1999 are based on the 1990 Census; subsequent years are based on the 2000 Census. The 2000 values for the States are interpolated from the 1999 and 2001 values. Net domestic migration data (the US Census Bureau's inter-state migration indicator) are only available for one quarter in 2000, rather than the usual full year.

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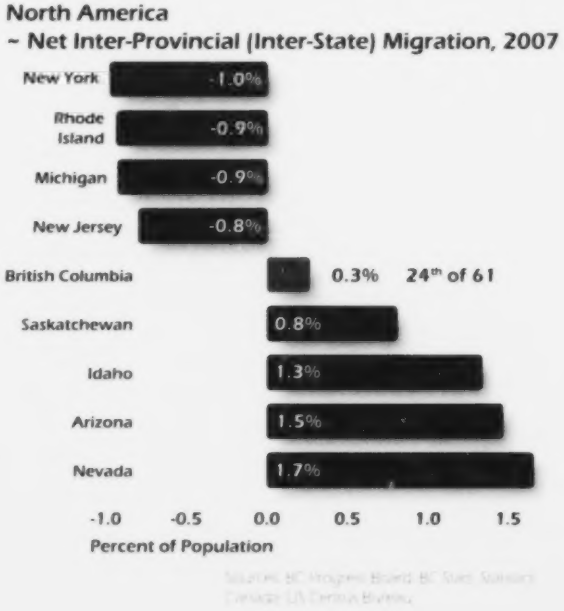

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Performance Indicator 9

Business Investment

Where BC Ranks

PROVINCIAL COMPARISON - TOTAL BUSINESS GFCF

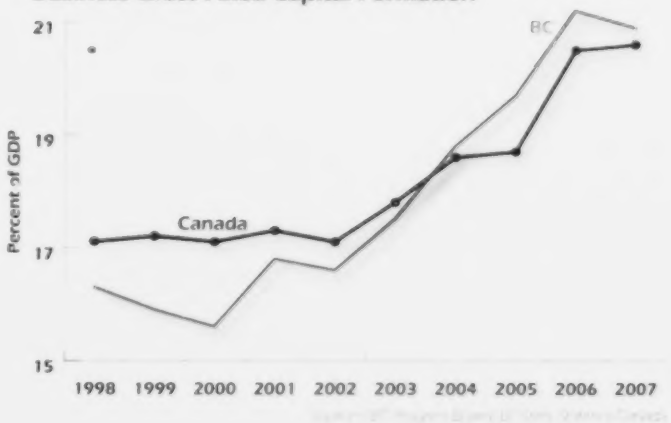
Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Rank	5	7	6	5	5	5	3	4	3	4

Performance Indicator Nine measures the expenditure by businesses on durable assets and on building and engineering construction plus residential construction by individuals.

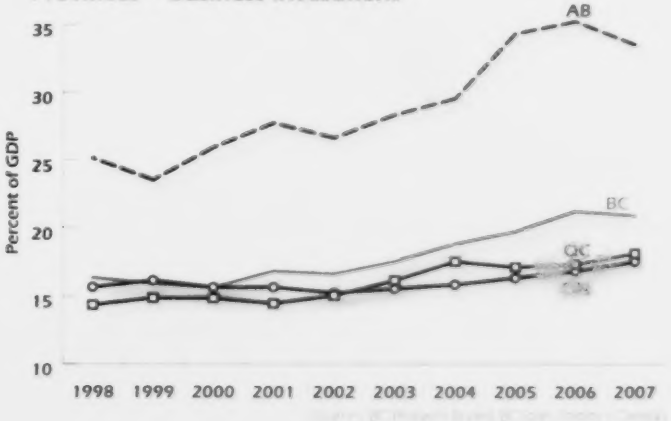
In 2007, BC ranked fourth in Canada in Business Gross Fixed Capital Formation (GFCF), down from third place in 2006.

BC has had above average business GFCF for four years, as it did in the 1990 through 1997 period. Gross fixed capital formation in the business sector was below the national average between 1998 and 2003.

Business Gross Fixed Capital Formation



Provinces ~ Business Investment



Why It's Important

Business investment is perhaps the most important factor contributing to long-term economic growth and higher productivity. Without solid business investment, significant or sustained employment growth is unlikely. Periods of strong business investment are generally followed by faster economic growth and rising incomes. Factors such as input costs, market conditions, expected rates of return, and government fiscal policy determine a jurisdiction's attractiveness for fixed business investment.

Performance Indicator 9 Business Investment

Where BC Ranks

Provincial Comparison - Non-Residential Business GFCF

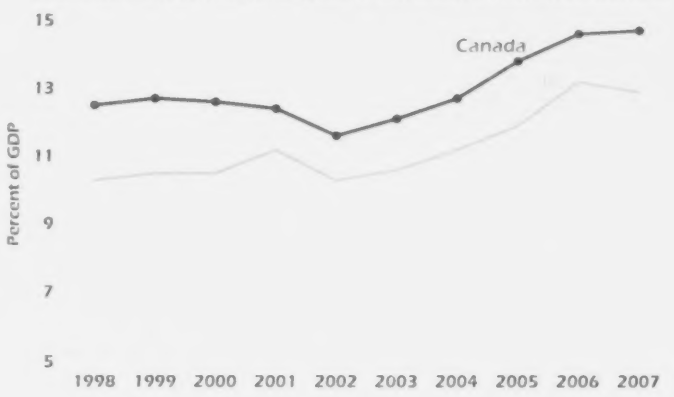
Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Rank	8	9	9	6	6	7	7	4	5	5

Removing residential construction from the analysis yields Non-Residential Business GFCF.

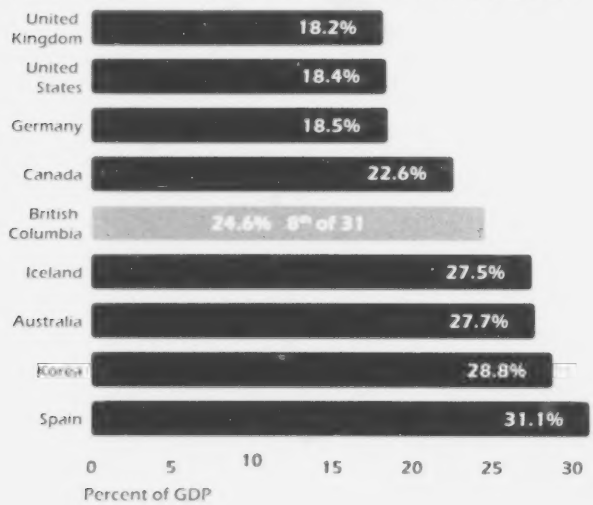
In 2007, non-residential business investment was equal to 12.7 percent of BC's GDP, below the Canadian average of 14.5 percent. Alberta led the pack with investment equal to 28.2 percent of GDP.

Between 1998 and 2007, BC saw an average annual increase of 1.9 percent in non-residential business investment. This was equal to Canada's average growth and earned a fifth place rank.

Business Gross Fixed Capital Formation, Non-Residential



International ~ Gross Fixed Capital Formation, 2007



International Comparison

British Columbia is a middling to strong performer on Total Gross Fixed Capital Formation as a percent of GDP when compared to OECD countries. In 2007, BC's ratio of 24.6 percent earned it a rank of 8th.

This comparison considers total gross fixed capital formation rather than investment by the business sector only as in the provincial comparison. This is necessary because only half of the OECD countries report separate business sector investment.

Performance Indicator 9

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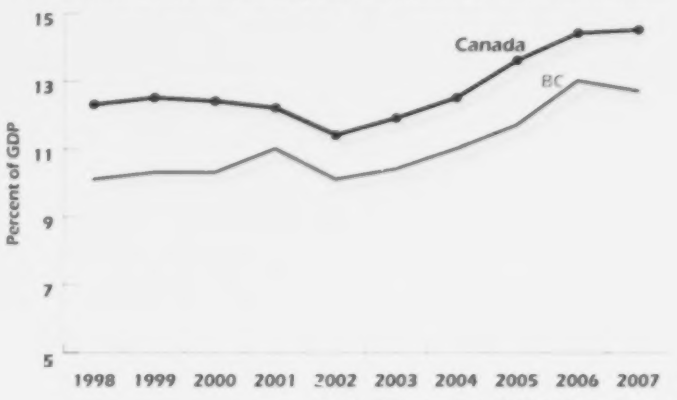

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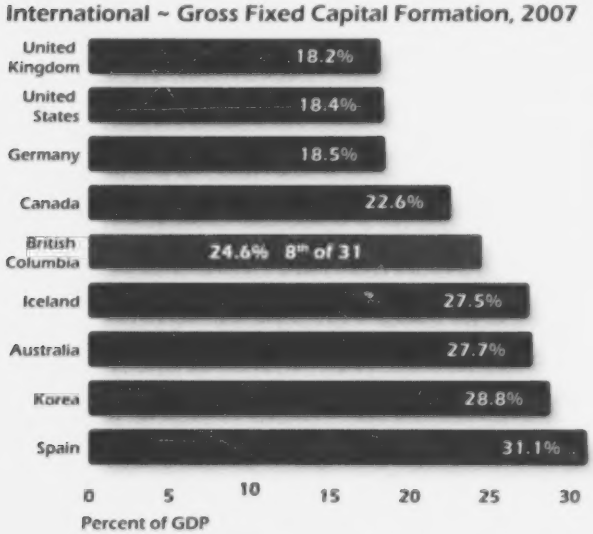

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THE BC PROGRESS BOARD'S RESPONSE TO: INVESTMENT IN BRITISH COLUMBIA: CURRENT REALITIES AND THE WAY FORWARD

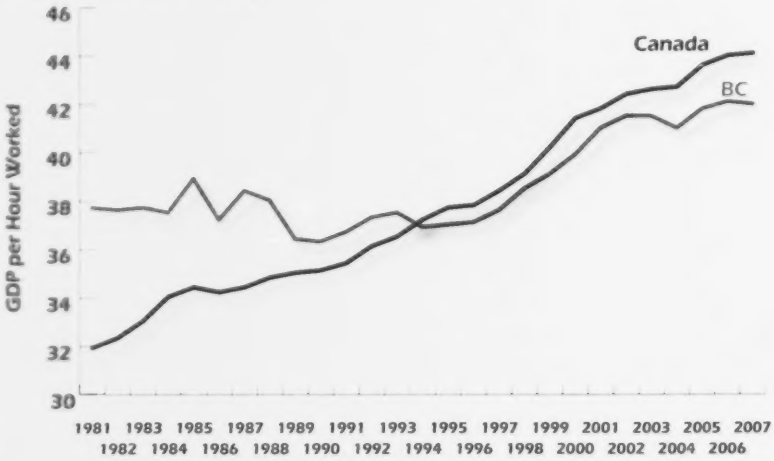
Over the past year, the Progress Board has worked closely with the Centre for the Study of Living Standards (CSLS) to get a better understanding of productivity performance in British Columbia. To date, we have received two reports from the Centre – an overview report on productivity and, more recently, "Investment in British Columbia: Current Realities and the Way Forward." The Progress Board endorses the analysis and recommendations in the CSLS report. As with previous advisory work, the Board's goal is to deepen understanding of problematic indicators and provide advice to government on how to improve British Columbia's performance.

Much is being written about the current and future state of the global economy, often profoundly conflicting. While the Progress Board does not wish to add to this debate, it is obviously relevant to note that this report on productivity, initiated a year ago in a very different economic climate, comes at a time when global business investment has slowed and even stopped. While projections are being regularly adjusted and are lower now than even six months ago, economic growth is expected to be above the national average in British Columbia, fuelled in part by development of natural gas, and construction in the run-up to the 2010 Olympics. The Board believes the province is uniquely positioned to take advantage of current economic realities and position itself well for an inevitable economic upturn.

The government of British Columbia has recorded healthy surpluses in the last four fiscal years. These surpluses, in addition to ensuring a continued decrease in the weight of the debt/GDP ratio (about 14 per cent in 2007-2008, the lowest of any jurisdiction in Canada except Alberta), have allowed for substantial increases in spending for health, education and infrastructure, including the $14 billion investment for public transit that has been hailed as the largest public-transit announcement in B.C. history. This focus on infrastructure spending is increasingly important, as our recommendations below suggest.

The government in British Columbia has also consistently focused on a lower-tax agenda, again a practice that will position the province well during this time of economic change. Budget 2008 provided more than $400 million in tax cuts and $428 million in new investments, and the Premier recently outlined ten key measures in an economic plan whose focus is to support families and improve productivity during this time of global economic slowdown. In many cases, the Board's recommendations for improved productivity support and build on commitments already made in this province.

Labour Productivity



Source: CSLS calculations based on Statistics Canada National Accounts and Labour Force Survey

Performance Indicator 9 Business Investment

Recommendations

Having considered the analysis and recommendations provided by the CSLS, the Progress Board has developed a set of recommendations to assist in attracting the investment that is required to further unlock British Columbia's potential. There are four categories – tax policy, infrastructure, trade, and regulation.

Tax Policy

As the government in British Columbia has demonstrated, tax policy offers a fruitful field for reforms that encourage investment. In fact, the provincial government has taken advantage of many of the measures available to boost productivity. The Board generally endorses the recommendations included in the CSLS report, and specifically recommends the following:

The most profound area for improvement to productivity, but also the most difficult to achieve, is in replacing the Provincial Sales Tax with a value-added tax, preferably harmonized with the Goods and Service Tax administered by the federal government. Such a change would significantly lower the marginal effective tax rate on investment and reduce distortions across sectors. Harmonization would face considerable challenges, not the least of which is public opposition as a result of a shift of the burden from businesses to consumers. As the CSLS has pointed out, however, there are policy tools available to offset the disproportionate impact on consumers.

The current treatment of the Provincial Sales Tax is a particular disincentive to invest in British Columbia. Evidence from the Atlantic provinces, which harmonized their sales taxes with the federal Goods and Services Tax, suggests that British Columbia could experience a 12.1 percent increase in trend M&E investment as a result of adopting a value-added tax. These results imply that adopting a value-added tax could result in M&E investment as a share of GDP in BC of 6.8 percent in 2007 (as opposed to 6.1 percent), thus closing 70 percent of the M&E investment intensity gap between BC and the national average (7.1 percent). The potential public opposition to this measure should not be under-estimated, however, and there could be a protracted adjustment period.

A long-term, broad-based Investment Tax Credit (ITC) could be used to lower the cost of investing in British Columbia. However, it is not the optimal response to BC's investment challenges, and is recommended only in the absence of PST harmonization. We do not recommend the introduction of a short-term or targeted ITC as a way to sustainably increase investment in BC. This is not to say that such ITCs are not useful, but they should be seen as a fiscal tool to stimulate aggregate demand and support targeted industries rather than as a policy to support efficient economy-wide investment levels.

Infrastructure

The government of British Columbia has consistently made infrastructure spending a key priority, including in the Premier's recently-announced economic plan that committed to accelerated public investments in capital infrastructure projects. The Board supports this approach and, in past advisory reports, has identified several key areas for investment.

Performance Indicator 9 Business Investment

The Board concurs with the CSLS that abundant, high-quality infrastructure reduces the costs and risks of doing business, and thus increases the returns to investment. Canada as a whole has been under-investing in infrastructure by international standards, and so while British Columbia has historically done well compared to other Canadian provinces in terms of public infrastructure investment, it is in this relatively constrained context.

The Board supports the government's renewed focus on infrastructure as one means to weather the economic downturn. The Board further recommends a broad view of infrastructure that includes increased government resources to support education and training. In this way, the Board is confident the province can be well-positioned to take full advantage of improving economic conditions as they develop.
The Government of British Columbia should continue to apply rigorous cost-benefit analysis to each proposed project to determine the desirability of additional investment. Quantitative analysis of the job creation potential of each project should be the focus. Continued use of innovative procurement and financing tools, for example through public-private partnerships is also recommended.

The Board also continues to endorse the following infrastructure proposals:

Transportation:
In its past advisory report on transportation, the Board laid out a comprehensive plan for the province. Many of those recommendations have been addressed. The Board continues to support upgrades to the Trans-Canada Highway in the Rockies, specifically Phase 4 of the upgrade.

Continued support for mass transportation is also recommended.

Power:
The Board supports competitive and comprehensive proposals for a variety of electricity supply projects, from small run of the river projects to Site C on the Peace River.

Development of Northern BC as a major trading hub for natural gas, including work on a trilateral economic arrangement between British Columbia, Yukon and Alaska to explore the potential transportation of Alaskan natural gas through the Yukon and British Columbia and efforts to market Northern BC as the best choice for the terminus of the anticipated Alaska and McKenzie Valley pipelines.

Electrification of the Highway 37 corridor from Meziadin Junction to Dease Lake which is currently serviced by diesel power. The Board welcomes the recent steps announced to bring reliable electrical service to the area.

Trade
International and interprovincial trade affects productivity indirectly. By facilitating competitive pressure and lowering barriers to investment, trade can act as a strong engine for productivity growth. British Columbia's international export levels as a share of GDP are below the Canadian average. Yet, British Columbia enjoys a unique position in the Canadian federation by being the province most likely to develop and benefit from strong trade links with the rapidly expanding Asia-Pacific region, and by serving as Canada's gateway to the Asia-Pacific region.

Performance Indicator 9 Business Investment

The government in British Columbia has made a priority of reducing interprovincial trade barriers. British Columbia and Alberta have been leaders in reducing barriers to interprovincial trade and migration with the development of a framework agreement between the two provinces in 2006 (Trade, Investment and Labour Mobility Agreement or TILMA), and the Premier of British Columbia has led discussions to expand this agreement to other provinces.

The Board supports TILMA and all efforts to expand this agreement across all provinces.

Regulation

The Government of British Columbia has made progress reforming regulations that discouraged investment. But analysis of the BC mining industry, for example, shows that other provinces continue to be ahead of British Columbia in creating a regulatory environment that encourages investment. Product market regulation, in particular, can have an especially harmful impact on investment in information and communications technologies, an area where BC has a serious investment problem.

Another serious impediment to investment in British Columbia is the federal Fisheries Act. Although beyond the direct control of the provincial government, the requirements of the federal Fisheries Act can pose onerous and overwhelming challenges to development in this province.

We recommend that the Government of British Columbia continue to build on recent success in improving the clarity, efficiency, and predictability of BC's regulatory environment. Specifically, the Board recommends that the government of British Columbia:

Request that the Federal government adopt changes to the Fisheries Act and its application that support achievement of environmental and fish habitat objectives while eliminating unnecessary expense and delay for small and low risk projects.

Continue harmonizing regulation between provinces and US states, with the federal government, and even internationally.

Build on the success of the Straightforward BC initiative and its quarterly progress reports by targeting not just the number of regulations, but also by improving quantification and reporting of the costs of regulation in BC and by adopting an outcome-based rather than a prescriptive approach. While acknowledging the cost of gathering such information, we feel that over the long-term better information will lead to better decisions and a more attractive investment climate.

Conclusion

The Progress Board's 2008 Annual Benchmark Report demonstrates British Columbia's consistent excellent performance on debt and tax rate, where the province places second only to Alberta. These measures point to the economic capacity of the province to weather the economic downturn. The Board has considered the current economic climate from the point of view of measures that can be taken to position the province well to take the fullest advantage of a global economic recovery.

Performance Indicator 10

Public School Graduates

Where BC Ranks

PROVINCIAL COMPARISON

Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rank	n/a	7	7	8	9	7	7	9	8	8

Performance Indicator Ten is based on the number of public secondary school graduates.

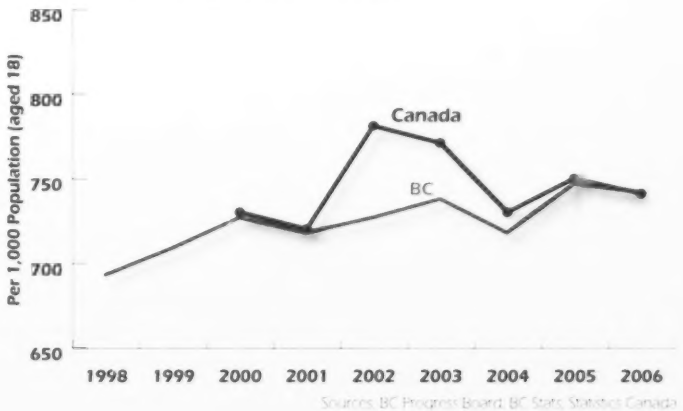
BC ranked eighth in public secondary school graduates in 2006, as it did in 2005.

This indicator excludes graduates of independent schools due to a lack of comparable data. This disadvantages BC because of its relatively high proportion of students in independent schools.

Data that include both public and independent schools show that independent school graduates made up close to nine percent of the BC total in 2005.

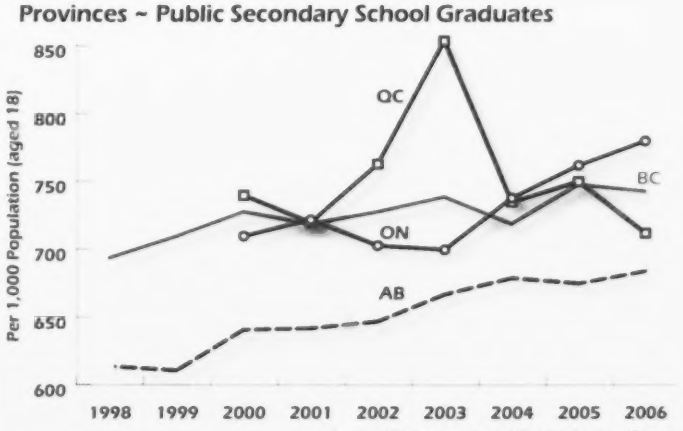
See page 84 for BC-only data which includes public and independent schools.

Public Secondary School Graduates



Sources: BC Progress Board, BC Stats, Statistics Canada

Provinces ~ Public Secondary School Graduates



Source: BC Progress Board, BC Stats, Statistics Canada

Why It's Important

Levels of education tend to correlate strongly with future personal prosperity and well-being. With the "knowledge" content of most jobs steadily increasing, high school graduation or better is generally deemed essential as a base qualification for "higher learning" and entry level employment.

Performance Indicator 11

University Completion

Where BC Ranks

PROVINCIAL COMPARISON

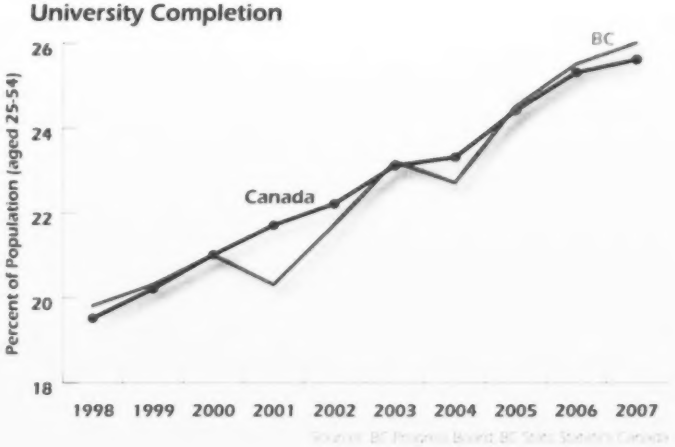
Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Rank	2	2	2	4	2	2	2	2	2	2

Performance Indicator Eleven follows the percent of the population (aged 25-54) that has earned a university credential.

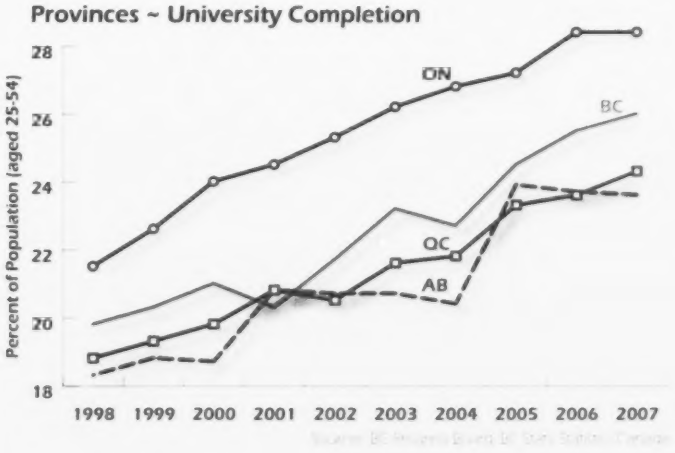
In 2007, BC was second behind Ontario in university completion, maintaining the position it has held since 2002. Trailing BC were Quebec, Alberta and then Manitoba.

Over the period 1998-2007, all the provinces experienced significant growth in the proportion of people who completed university. British Columbia had the third-largest increase. Saskatchewan had the smallest increase although its ratio grew by 20 percent.

University Completion



Provinces ~ University Completion



Why It's Important

Although there are many different forms of post-secondary credentialing, university completion is an important indication of a jurisdiction's success in building the high level academic, managerial and entrepreneurial skills necessary in today's knowledge driven economy. This indicator measures the percent of the population aged 25 to 54 that has attained a university education.

Performance Indicator 12 R & D

Where BC Ranks

PROVINCIAL COMPARISON

Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Rank	7	7	6	5	4	4	4	4	3	5

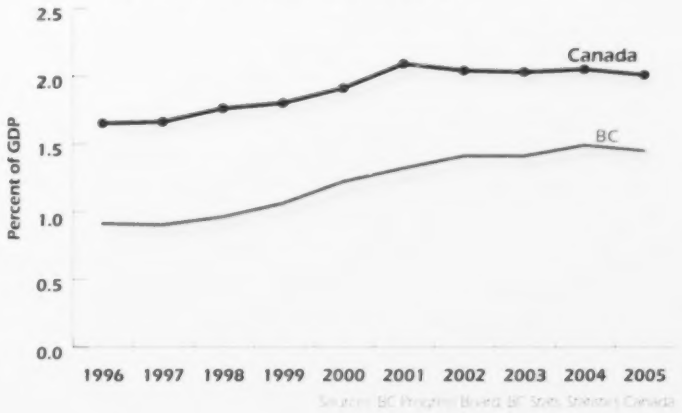
Performance Indicator Twelve measures how much money is spent on research and development. It includes the sum of expenditures reported by (or estimated for) the various sectors involved in research and development – government, business, higher education and not-for-profit organizations.

In 2005, BC ranked fifth among the provinces in spending on research and development as a percent of GDP. It trailed Quebec, Ontario, Prince Edward Island and Nova Scotia.

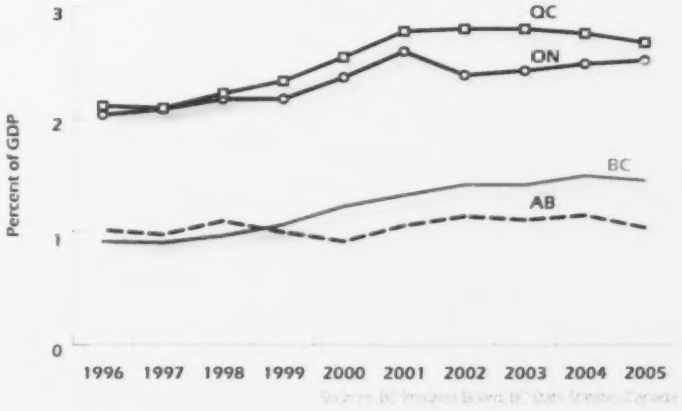
Between 1996 and 2005 BC narrowed the gap between its spending and the Canadian average, although BC still trailed in 2005.

Over the period 1996 to 2005, all provinces saw their ratio of R&D spending to GDP increase. The largest increases occurred, in order, in Prince Edward Island, BC, and Manitoba.

Research and Development Spending



Provinces ~ Research and Development Spending



Why It's Important

Spending on research and development (R&D) is a key factor in innovation and the creation of new wealth.

Performance Indicator 12 R & D

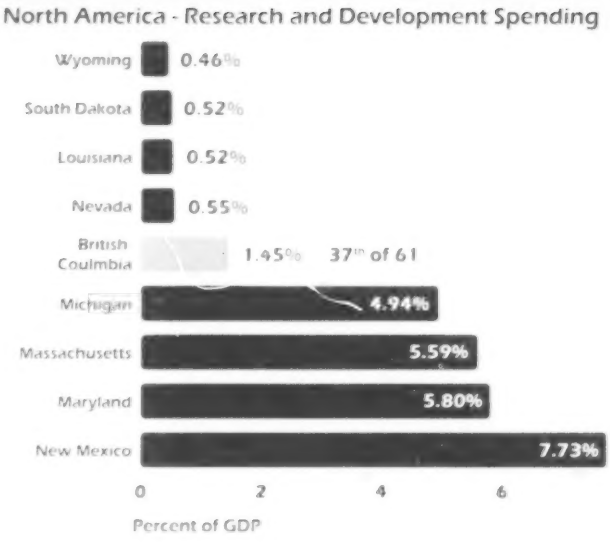
North American Comparison

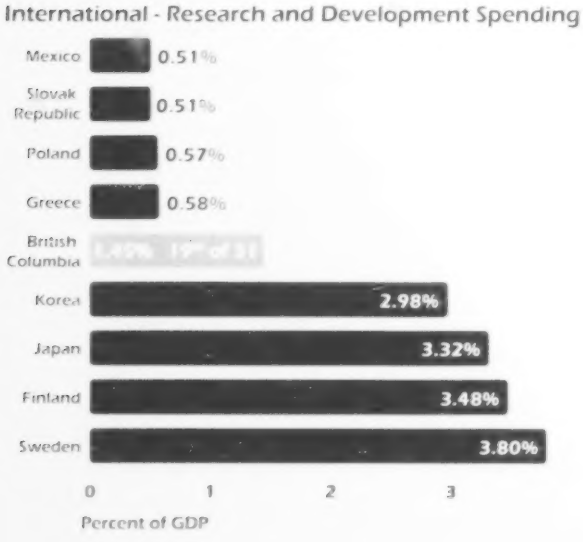
British Columbia placed 37th among the 61 subnational jurisdictions on this indicator in 2005 with a ratio of 1.45 percent of GDP.

The lowest ranked jurisdictions, Wyoming, South Dakota and Louisiana had about one-third BC's spending ratio.

Top ranked jurisdictions like Michigan and New Mexico had between three and five times the spending ratio seen in BC.

For the period 1993 through 2005, BC's best rank was 33rd in 2004 and its worst was 45th in 1997.





International Comparison

British Columbia is a middling performer on Research and Development (R&D) as a percent of GDP in comparison to OECD countries. BC ranked 19th out of 31 jurisdictions for R&D to GDP in 2005 and for average R&D expenditures between 1996 and 2005.

R&D spending as a percent of GDP increased in BC between 1997 and 2004 but had a small decline in 2005. The ratio has been above BC's ten year average since 2000. Among OECD jurisdictions, BC ranked sixth for percentage point growth in R&D as a percent of GDP between 1996 and 2005.

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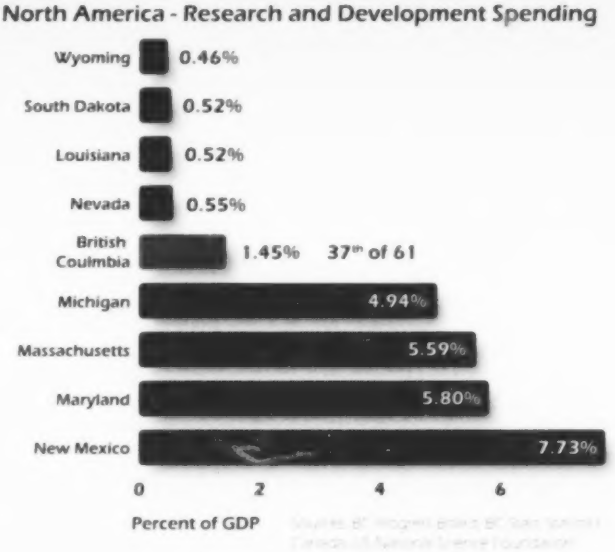

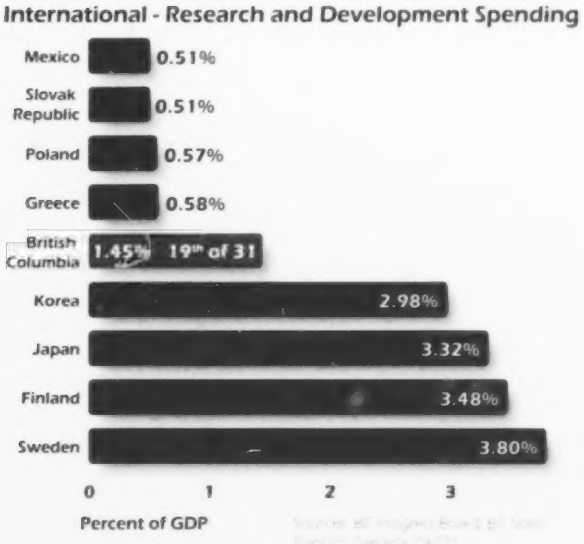

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Performance Indicator 13

Science Employment

Where BC Ranks

PROVINCIAL COMPARISON

Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Rank	4	3	4	4	5	4	5	4	4	5

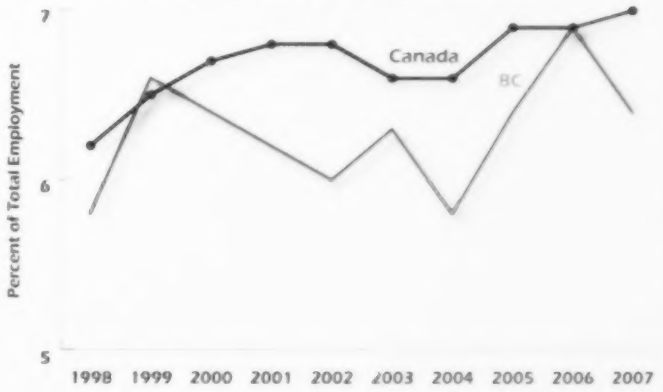
Performance Indicator Thirteen shows the proportion of a jurisdiction's employment which is comprised of persons working in natural and applied sciences and related occupations. Included in this category are occupations in the physical sciences, engineers, architects, mathematicians, systems analysts, and programmers and associated technical occupations.

British Columbia ranked fifth in the proportion of scientists and engineers to total employment in 2007.

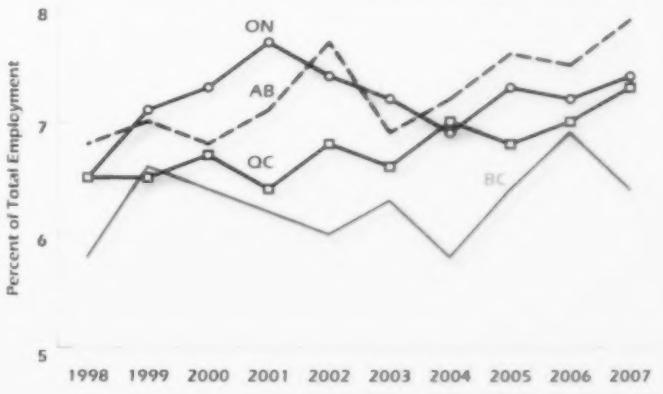
Between 1998 and 2007, the province's proportion grew in five out of 10 years.

Canada at large experienced steady increases in the proportion of scientists and engineers to total employment between 1998 and 2001. It suffered declines in 2003 and 2004, and grew again in 2005 through 2007.

Employment in Natural and Applied Sciences



Provinces ~ Employment in Natural & Applied Sciences



Why It's Important

The number of scientists and engineers relative to total employment is one indication of a jurisdiction's success in attracting people who possess knowledge and skills essential to the process of innovation and wealth creation.

>> Environment, Health & Society

In the "Environment, Health and Society" indicators, BC has eleven strong, three middling, and two weak rankings. A strong ranking means the province was first to third in Canada, a middling performance is fourth to seventh, and weak is an eighth to tenth place showing.

Strong performances on the Environmental Quality and Health Outcomes indices, Core Targets Four and Five, reflect a safe natural environment and relatively healthy population. Indeed, BC earned the first or second rank on seven of the eight indicators comprising these two indices.

Weakness in BC continues in Core Target Six, the Social Condition index. Specifically, the percent of families and unattached individuals with incomes below Statistics Canada's After-Tax Low Income Cut-Off and the number of personal and property crimes earn BC consistently low ranks. Although recent improvements in these indicators have been better than average, and BC has moved from weak to middling in Social Condition, it will likely need several more years of relative improvement to earn better ranks.

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Core Target 4

Environmental Quality

Where BC Ranks

PROVINCIAL COMPARISON

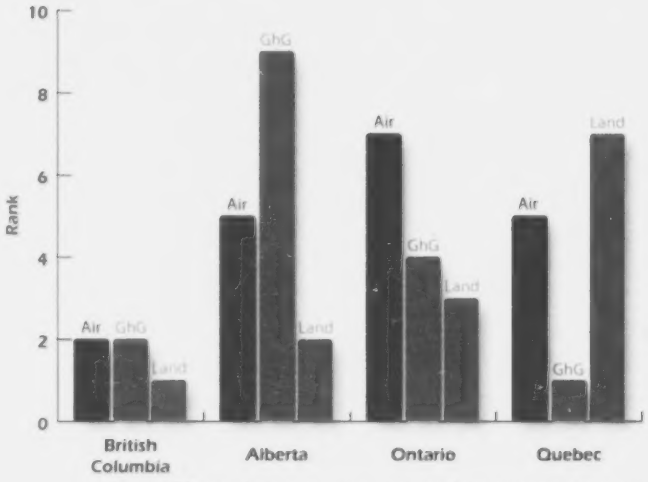
Core Target Four, environmental quality, is derived from BC's ranking under three environmental performance indicators (PI 14-PI 16): air quality, greenhouse gas emissions, and protected areas. Environmental Quality rankings are the simple average of each province's rank on the three indicators.

Overall, BC ranked first in Canada on environmental quality, with a second place rank on air quality and greenhouse gas emissions and a first place rank on protected areas.

The 'environment' is not easily summarized, especially in cross-jurisdictional comparisons, in any single indicator. For this reason, the Progress Board uses an index to measure environmental quality in its core measurement framework. This index is based on indicators available by province or by cities across Canada.

There are a number of additional measures without direct comparison in other jurisdictions that may enhance our understanding of BC's overall environmental performance. Some of these are discussed briefly on the opposite page.

Environmental Quality



Source: BC Progress Board; see individual indicators for component data sources.

Environmental Quality, Rank by Province

	Air Quality (Air)	Greenhouse Gas Per Capita (GhG)	Protected Areas (Land)	Environmental Quality
	2006	2006	2003	2006
BC	2	2	1	1
AB	5	9	2	5
SK	3	10	7	10
MB	3	5	4	2
ON	7	4	3	4
QC	5	1	7	3
NB	1	8	9	6
NS	n/a	7	5	6
PE	n/a	3	10	9
NL	n/a	6	6	6

The Environmental Quality ranks for Nova Scotia, Prince Edward Island and Newfoundland & Labrador are the arithmetic average of ranks for Greenhouse Gas Emissions and Protected Areas only.

Why It's Important

Environmental quality has both direct and indirect consequences for human health and quality of life. This core target provides a summary snapshot of BC's overall environmental quality.

Core Target 4 Environmental Quality

ADDITIONAL ENVIRONMENTAL MEASURES

AIR QUALITY

"Smog" consists mainly of two air pollutants – airborne particulate matter and ground-level ozone. These are tracked closely because no safe threshold for exposure has been found.

Fine particulates include dust, dirt, liquid droplets and smoke. All continuous monitoring sites in BC were below the Canada Wide Standard for particulate matter in 2006. Interior regions of BC typically have higher particulate matter levels than coastal areas.

Ground-level ozone is formed by chemical reactions in the presence of sunlight; component compounds may come from local emissions or arrive in the air from other regions. The highest annual mean concentrations are found in southern interior sites with warm, sunny summers. Downtown Vancouver has the lowest measured concentrations because NOx emissions remove the excess ozone.

FRESH WATER

Of the roughly three percent of freshwater on the Earth, only a tiny portion is surface water. The rest is in glaciers or underground. Canada has about nine percent of the world's renewable water supply. Two important aspects of fresh water are surface water quality and groundwater supply.

Surface water quality is measured with the Water Quality Index, a tool that allows numerous quality characteristics to be expressed as a simple rating. Rankings against these objectives range from Excellent (close to natural) to Poor (almost always threatened or impaired). Of 31 monitored bodies: one rated as Excellent; fifteen as Good; twelve as Fair; three as Marginal (borderline); and, zero as Poor.

Thirty-five percent of observation wells had declining water levels due to human activities in 2000-2005. These were concentrated in areas where groundwater withdrawl and urban development have been intensive.

CONTAMINANTS

Efforts aimed at PCBs, dioxins and furans as well as other persistent chemicals have been accompanied by lower levels in the general environment.

Roughly 41 percent of sites in the provincial Contaminated Sites Registry have been cleaned up and another 30 are in process.

The statistics above come from "Environmental Trends in British Columbia: 2007" by the BC Ministry of Environment. This report has a wealth of information on these topics as well as four other areas of interest: population and economic activity; climate change; species conservation and, ecosystems. Fourty-four indicators and over 25 supplementary measures are included in the report.

Source: BC Government, Ministry of Environment, *Environmental Trends in British Columbia: 2007.*

Core Target 5

Health Outcomes

Where BC Ranks

PROVINCIAL COMPARISON

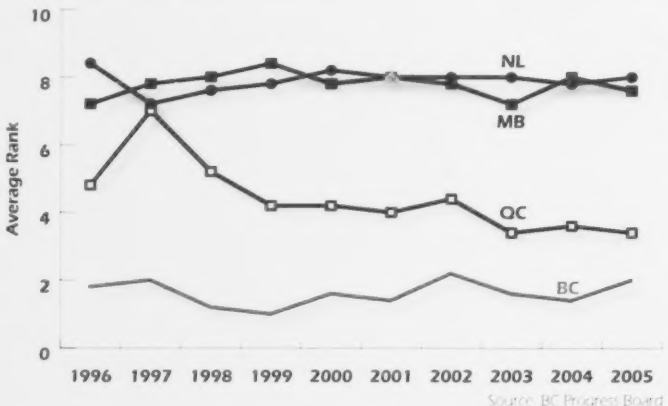
Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Rank	1	1	1	1	1	1	1	1	1	1

Core Target Five, health outcomes, is derived from five performance indicators (PI 17-PI 21): life expectancy at birth, cancer mortality, cardiovascular disease mortality, infant mortality, and potential years of life lost. Health outcome rankings are the simple average of each province's rank on the five indicators.

British Columbia had the best health outcome performance among the provinces over the entire 1996 through 2005 period.

BC had the top rank for life expectancy at birth (2006/07), cancer mortality (2004) and overall health outcomes (2005). BC had second place ranks for cardiovascular mortality (2004) and potential years of life lost (2005) and a fourth place rank for infant mortality (2005).

Health Outcomes



Source: BC Progress Board

Health Outcomes, Component Ranks by Province

	Life Expectancy	Cancer Mortality	Cardio-vascular Mortality	Infant Mortality	PYLL	Health Outcomes
	2006/07	2004	2004	2005	2006	2005
BC	1	1	2	4	2	1
AB	4	2	5	9	5	4
SK	6	3	4	10	8	6
MB	8	7	6	8	9	8
ON	3	4	3	6	3	3
QC	2	8	1	5	1	2
NB	5	5	8	3	4	4
NS	7	10	7	2	6	7
PE	9	9	9	1	10	8
NL	10	6	10	7	7	10

Why It's Important

Health outcomes provide an indication of a jurisdiction's environment, health care system and the personal choices of its population.

Core Target 5 Health Outcomes

HEALTH RISK FACTORS

Cancer and heart disease remain the biggest killers in Canada and in British Columbia. In 2005, cancer was responsible for 28.3 percent and heart disease 22.4 percent of all deaths in BC. Together they accounted for half of all deaths in BC in 2005. Both share common risk factors – obesity, inactivity, poor eating habits, and tobacco use. These health risk factors are common, but are controllable through changes in habits and lifestyle.

OBESITY, POOR EATING HABITS AND INACTIVITY

The International Agency for Research on Cancer attributes one-quarter to one-third of all breast, colon, esophagus, kidney and uterus cancers to excess body weight and inactivity. As well, those who are overweight are at higher risk of high blood pressure, high blood lipids and diabetes, putting them at a higher risk of heart disease and stroke.

In 2005, 53 percent of Canadians 12 or older still did not get their recommended intake of fruit and vegetables, 47 percent were physically inactive and 29 percent of youths and 59 percent of adults were either overweight or obese.

SMOKING, TOBACCO USE AND EXPOSURE TO TOBACCO

According to the Heart and Stroke Foundation, heart disease rates are 70 percent higher for smokers than non-smokers. Smoking is still the leading cause of preventable illness in Canada, accounting for 30 percent of cancer deaths, even though the percentage of smokers in Canada has been on the decline since 1965. However, 22 percent of Canadians aged 12 or more were smokers in 2005, 24 percent of men and 20 percent of women.

BC AND THE HEALTH RISK FACTORS

British Columbia currently ranks low among all the provinces in occurrence and prevalence of health risks. British Columbia had the lowest overweight proportion of adults in Canada.

BC also had the lowest rate for those 12 and over who were physically inactive in 2005 at 40.1 percent vs. the Canadian average of 46.7 percent.

British Columbia had the lowest proportion of those 12 and over that were current smokers of all Canadian provinces in 2005, at 17.8 percent.

British Columbia ranks well relative to other provinces, but these risks still affect health in BC. Policies and programs can help inform people and encourage healthy lifestyles. These policies and programs recognize the correlation between smoking, exposure to tobacco, obesity, poor eating habits, and physical inactivity, and cancer and heart disease. However, the onus is on individuals to actually make the changes.

Sources: BC Stats; BC Vital Statistics Agency; Canadian Cancer Society / National Cancer Institute of Canada; Statistics Canada; Heart and Stroke Foundation; Health Canada.

Core Target 6

Social Condition

Where BC Ranks

PROVINCIAL COMPARISON

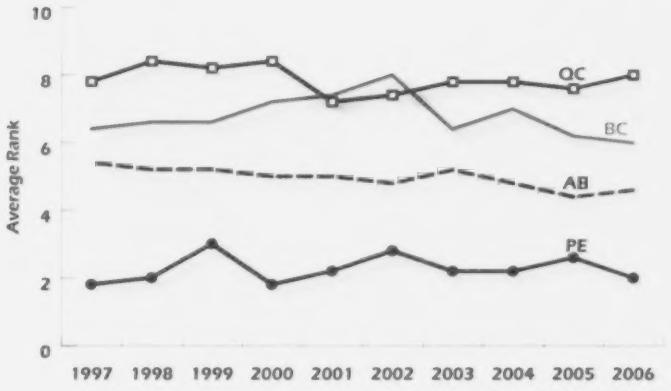
Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rank	6	8	9	9	10	10	8	9	9	6

Core Target Six is based on an average of the province's ranking across five performance indicators (PI 22-PI 26): the percent of families and unattached individuals with income below the after-tax low income cut-off (LICO), the low birth-weight rate, the personal and property crime rate, the percent of the population on income assistance, and the percent of total unemployment designated as long-term.

BC had the worst personal and property crime rate. It had the second to last rank for LICO, and the sixth in overall social condition. BC had middling performance on long-term unemployment (sixth, 2007) and performed relatively well on low birth weight rate (third, 2006) and income assistance (second, 2006).

The only improvement BC recorded was from seventh to sixth in long-term unemployment. BC's social condition improvement in 2006 reflects previous improvements that brought the province close to those with higher ranks coupled with the small improvement noted above and deteriorating ranks in other provinces.

Social Condition



Source: BC Progress Board

Social Condition, Component Ranks by Province

	LICO	Low Birth Weight Rate	Personal and Property Crime	Income Assistance	Long-Term Unemployment	Social Condition
	2006	2006	2007	2006	2007	2006
BC	9	3	10	2	6	6
AB	2	10	7	1	3	2
SK	6	4	9	3	2	4
MB	7	7	8	5	4	7
ON	7	8	4	6	9	8
QC	10	6	5	9	10	10
NB	4	5	1	8	5	2
NS	5	9	6	7	7	8
PE	1	1	3	4	1	1
NL	3	2	2	10	8	5

Source: BC Progress Board

Why It's Important

Social Condition measures provide an indication of a jurisdiction's inequality, security and incentives.

Performance Indicator 14

Air Quality

Where BC Ranks

PROVINCIAL COMPARISON

Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rank					1	1	2	4	5	2

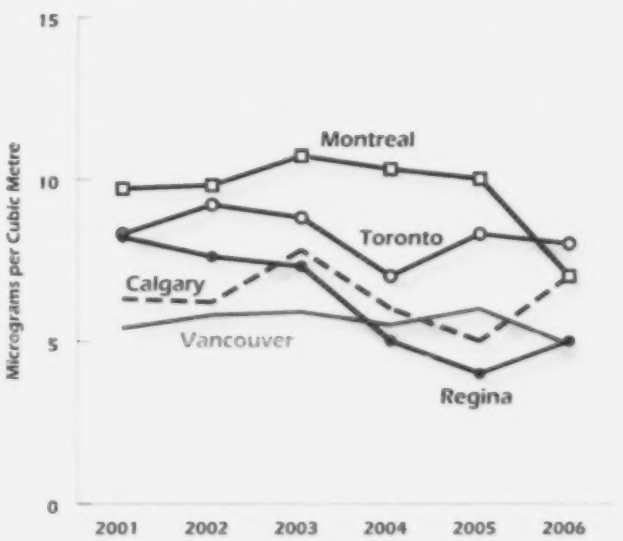
Performance Indicator Fourteen is based on annual mean concentrations of fine particulates in the air. Lower concentrations yield better ranks.

Vancouver ranked second in 2006 and second on the 2001-2006 average behind Winnipeg using the concentration of PM2.5 particulates in the air.

NORTH AMERICAN COMPARISON

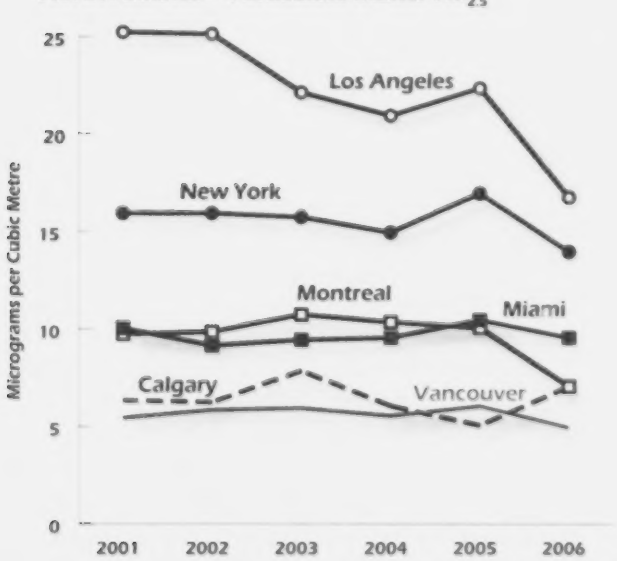
Among the cities reviewed, Saint John had the lowest annual mean concentration of fine particulates ($PM_{2.5}$) in its air in 2006. Vancouver was second-lowest and Los Angeles the highest.

Particulate Matter $PM_{2.5}$



Sources: BC Progress Board, BC Ministry of Environment, Environment Canada

North America ~ Particulate Matter $PM_{2.5}$



Sources: BC Progress Board, BC Ministry of Environment, Environment Canada, US Environmental Protection Agency

Why It's Important

Air quality has direct effects on human health. Fine particulates may affect breathing, aggravate respiratory and cardiovascular disease, alter the body's defense systems and damage lung tissue. Both premature mortality and emergency hospital visits may increase during times of high concentrations of fine particulates.

Performance Indicator 15

Greenhouse Gases

Where BC Ranks

PROVINCIAL COMPARISON

Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rank	2	2	3	2	2	2	2	2	2	2

Performance Indicator Fifteen tracks how many tonnes of greenhouse gases were emitted per person in a year. Lower emissions yield better ranks.

In 2006, BC's per capita GHG emission levels were second lowest in Canada at 14.7 tonnes, a 1.2 percent decrease from 1990, when emissions were 14.9 tonnes per capita. In 2006, Quebec had the lowest per capita GHG emissions at 10.7 tonnes, while Saskatchewan had the highest at 72.6 tonnes. The Canadian average in 2006 was 22.1 tonnes per capita.

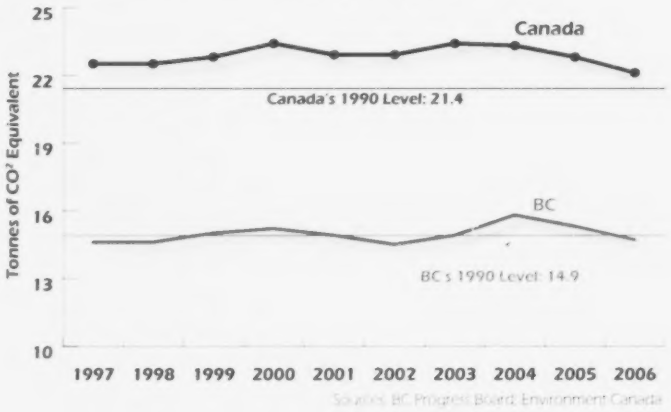
Four provinces had declines in their per capita greenhouse gas emissions between 1990 and 2006. The largest decline (11.2 percent) was in Ontario. Saskatchewan's 66 percent increase between 1990 and 2006 was the largest, by far.

BC's significant reliance on "clean" hydroelectric power generation contributes to its favourable ranking.

Why It's Important

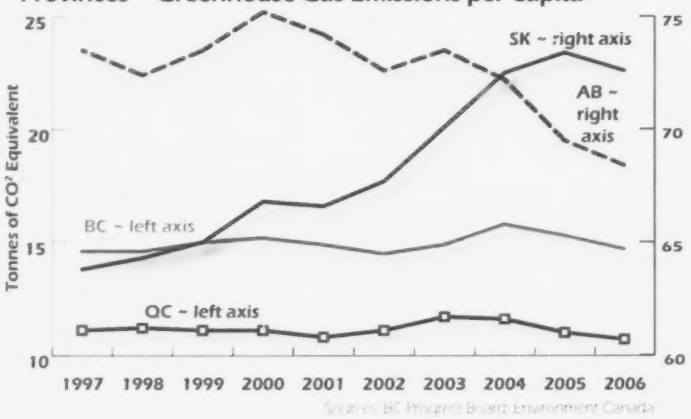
Human activities are increasing concentrations of greenhouse gases in the earth's atmosphere. Energy prices, industrial structure, consumption patterns and weather are major influences on greenhouse gas (GHG) emissions.

Greenhouse Gas Emissions per Capita



Sources: BC Progress Board; Environment Canada

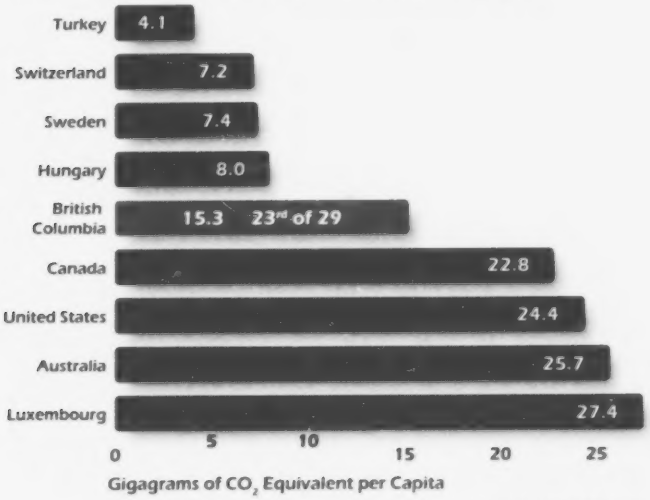
Provinces ~ Greenhouse Gas Emissions per Capita



Sources: BC Progress Board; Environment Canada

Performance Indicator 15 Greenhouse Gases

International - Greenhouse Gas Emissions, 2005



Source: BC Progress Board, BC Stats, Statistics Canada, United Nations

Notes

Per capita GHG emissions in Saskatchewan and Alberta are considerably higher than the other provinces. Their emissions are tracked on the right axis in the figure on the opposite page.

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International Comparison

British Columbia underperforms on greenhouse gas emissions per capita relative to Organization for Economic Co-operation and Development (OECD) countries.

According to 2005 data, BC ranked 23rd of 29 jurisdictions with per capita emissions of 15.3 tonnes.

Per capita greenhouse gas emissions were lower in 2005 than in 1990 for 17 of 29 jurisdictions. The largest decline (35 percent) was in the Slovak Republic. Spain's 38 percent increase between 1990 and 2006 was the largest. BC ranked 19th with a three percent increase.

Worldwide CO_2 Emissions

Worldwide data are not available on the six main gases the United Nations (UN) tracks, but they are available for CO2. In 2004, carbon dioxide (CO2) represented 83.8 percent of the greenhouse gases tracked by the UN.

According to preliminary estimates, China was the largest emitter of CO2 in 2007. China and the US produced 42 percent of total global emissions in 2007. The Russian Federation, India and Japan are responsible for about five percent each. Out of 70 countries, the ten largest emitters, including Canada at 1.8 percent of the total, are responsible for 66.5 percent of global CO2 emissions.

Performance Indicator 16

Protected Areas

Where BC Ranks

PROVINCIAL COMPARISON

Performance Indicator Sixteen lists the proportion of the land base that is protected from development. Larger protected areas earn better ranks.

In 2003, BC ranked first in Canada for the proportion of the land base protected from industrial activity, at 13.0 percent. Alberta ranked second with 12.3 percent of its land base protected, followed by Ontario at 9.2 percent, Manitoba at 8.5 percent and Nova Scotia at 8.2 percent.

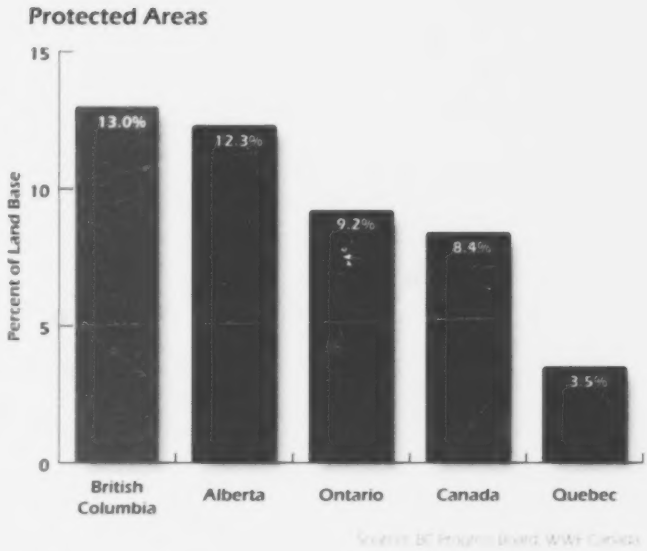
The sixth place rank went to Newfoundland and Labrador with 4.3 percent of their land base protected from industrial activity, followed by Quebec and Saskatchewan at 3.5 percent, New Brunswick at 3.1 percent and Prince Edward Island at tenth rank among the provinces at 2.6 percent.

BIOLOGICAL AND ECOLOGICAL DIVERSITY

British Columbia's natural diversity, both in terms of species and ecosystems, has been a distinct element in the province's unique economic and environmental heritage.

Why It's Important

Areas classified as protected are shielded from resource extraction or human activity that results in long term or large-scale impacts on the land's natural character. Such areas are also maintained as a "stock" of the land-base for biodiversity and for aesthetic, heritage, and other preservation values.



Source: BC Progress Board, WWF Canada

British Columbia's natural surroundings have provided recreational activities for the province's residents and visitors and form the foundation of our active and healthy society.

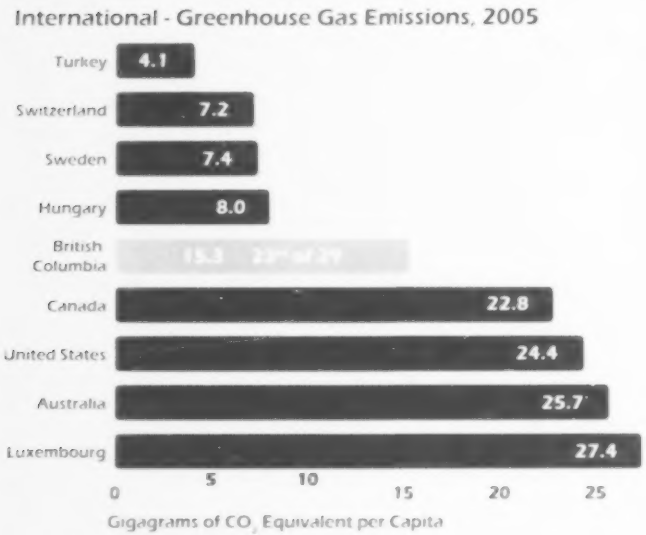
The province's natural diversity has been the basis of most economic opportunities throughout the province's development, and continues to provide the foundation for numerous resource-based industries including forestry, mining, and tourism and recreation.

Finding a balance between an expanding population, job growth, improving standards of living and stewardship of natural surroundings is an important, but certainly not a simple, task.

Note

As of 2007 BC had 13.4 percent of its land base legally designated as protected and had another 0.6 percent identified for legal protection.

Performance Indicator 15 Greenhouse Gases



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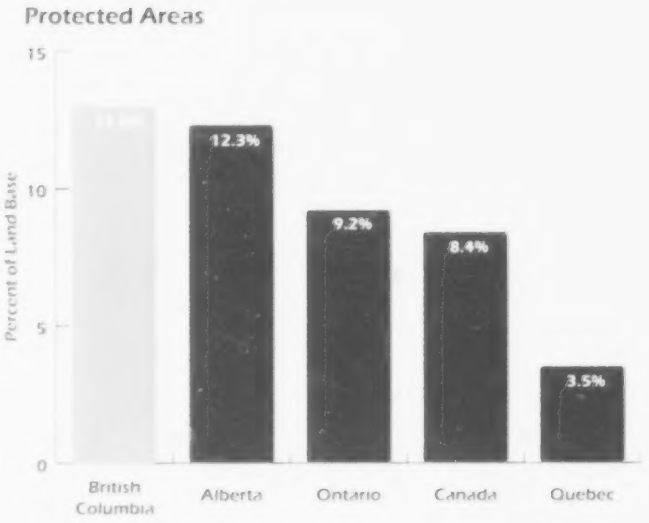

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Note

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Performance Indicator 17 Life Expectancy

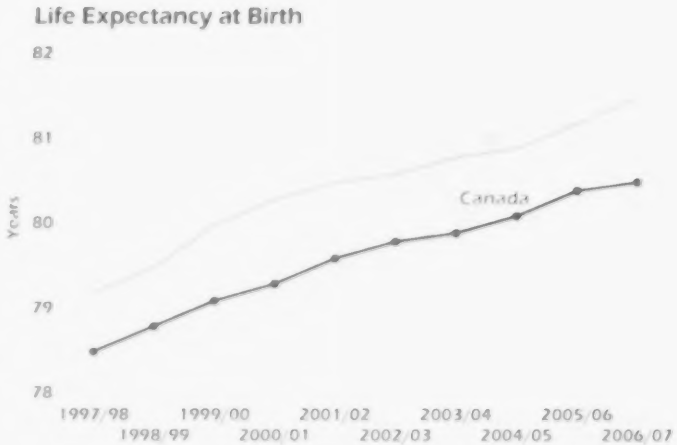
Where BC Ranks

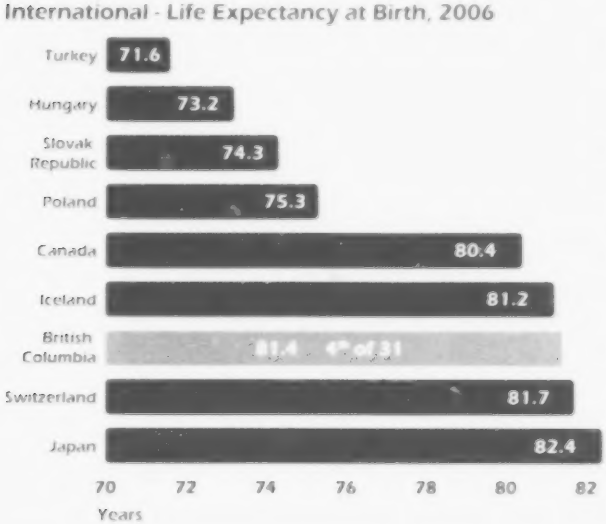
Provincial Comparison

Year	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Rank	1	1	1	1	1	1	1	1	1	1

Performance Indicator Seventeen is based on the average number of years that a child is expected to live in its lifetime. In 2006/07, British Columbia ranked first in Canada for life expectancy at birth for both males and females. BC experienced the second-largest increase in life expectancy between 1997/98 and 2006/07.

The gap between male and female life expectancy in British Columbia narrowed by 20.1 percent between 1997/98 and 2006/07.





International Comparison

British Columbia performs very well on life expectancy at birth relative to OECD countries. British Columbia ranked fourth out of 31 jurisdictions with a 2006 life expectancy at birth of 81.4 years, behind only Japan and Switzerland.

Canada ranked 11th in the OECD with average life expectancy at birth of 80.4 years.

Turkey ranked last among OECD countries with a life expectancy at birth of 71.6 years.

Why It's Important

This is a key indicator of the overall health of citizens in a jurisdiction.

Performance Indicator 17 Life Expectancy

Where BC Ranks

PROVINCIAL COMPARISON

Year	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Rank	1	1	1	1	1	1	1	1	1	1

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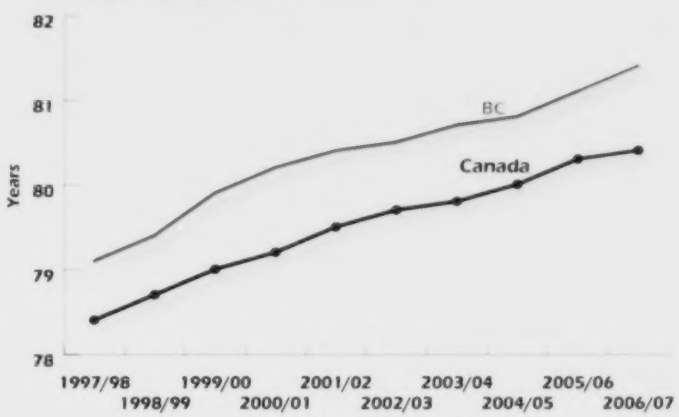
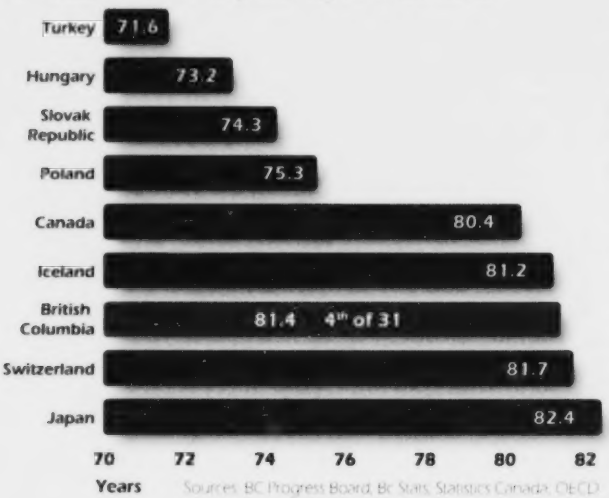
Life Expectancy at Birth



Sources: BC Progress Board, BC Stats, Statistics Canada

International - Life Expectancy at Birth, 2006



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Performance Indicator 18

Cancer Mortality

Where BC Ranks

PROVINCIAL COMPARISON

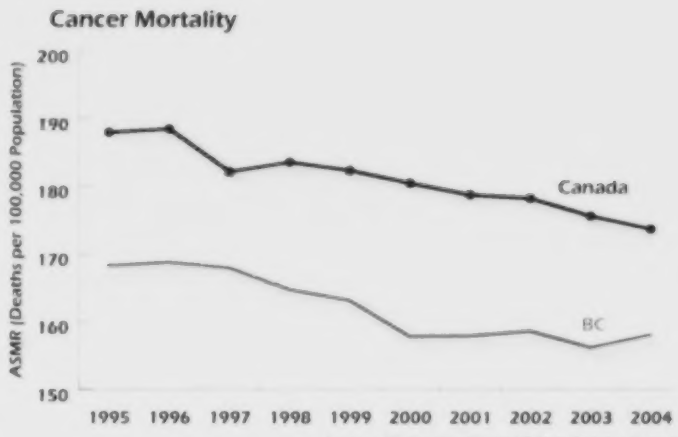
Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Rank	1	1	3	1	1	1	1	1	1	1

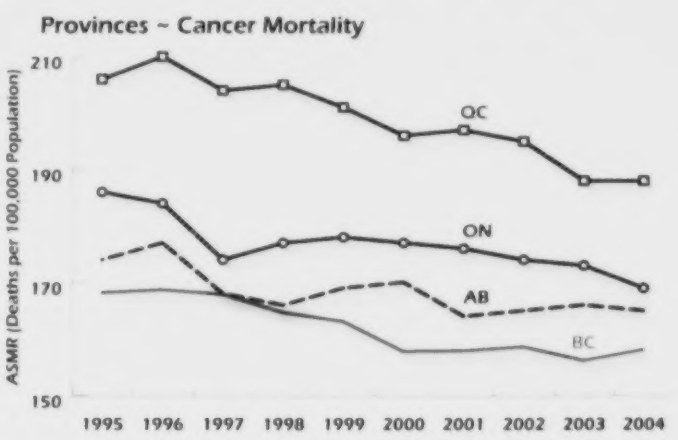
Performance Indicator Eighteen tracks the number of deaths from cancer. Lower mortality rates translate to better ranks.

In 2004, approximately 158 people per 100,000 died from cancer in BC. This was the lowest rate in Canada, and 9.9 percent below the Canadian average of 174.

Cancer is a disease in which abnormal cells form in human organs or tissue and grow to form a tumor. The National Cancer Institute of Canada estimates that there were as many as 166,400 new cases of cancer and 73,800 cancer deaths in 2008.

Approximately 45 percent of men and 40 percent of women will develop cancer. Fully 29 percent of men and 24 percent of women will die of cancer. Three types of cancer account for over half of new cases in each sex: prostate, lung, and colorectal cancers in males, and breast, lung, and colorectal cancers in females. Smoking is responsible for about one quarter of potential years of life lost due to cancer.





Why It's Important

Cancer is one of the leading causes of death in Canada. Two-thirds of all cancers are caused by a person's lifestyle, such as diet, physical activity, drinking and smoking habits.

Note

No new mortality data were available from Statistics Canada this year.

Performance Indicator 19 Cardiovascular Mortality

Where BC Ranks

Provincial Comparison

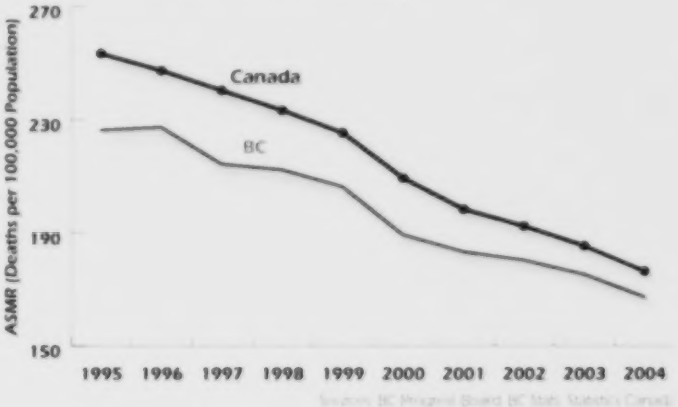
Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Rank	1	1	1	1	1	1	2	2	2	2

Performance Indicator Nineteen tracks the number of deaths from major cardiovascular disease.

In 2004, approximately 167 people per 100,000 died from major cardiovascular disease in BC. This was the second lowest rate in Canada, and 5.1 percent below the Canadian average of 176 people per 100,000. Quebec had the lowest rate in 2004 at 156 per 100,000 population. BC saw a 26.0 percent drop in this mortality rate between 1995 and 2004.

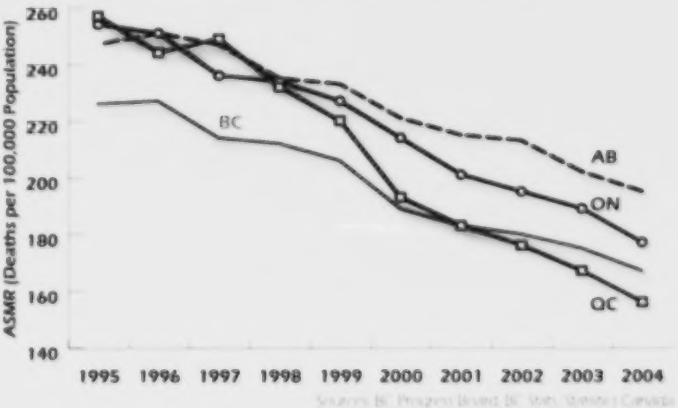
With health professionals increasingly building public awareness on growing obesity rates in Canada, especially among children and youth, heart disease is again taking centre stage. While cardiovascular disease continues to affect the elderly, it is currently the third leading cause of death among the under 75 population and also affects quality of life, activity levels, and employability of numerous younger Canadians.

Cardiovascular Disease Mortality



Sources: BC Progress Board, BC Stats, Statistics Canada

Provinces ~ Cardiovascular Disease Mortality



Sources: BC Progress Board, BC Stats, Statistics Canada

Why It's Important

It is the leading cause of hospitalization (except childbirth) among Canadians, and is the cause of death of almost 40% of the population despite falling mortality rates from cardiovascular disease.

Note

No new mortality data were available from Statistics Canada this year.

Performance Indicator 20

Infant Mortality

Where BC Ranks

PROVINCIAL COMPARISON

Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Rank	4	3	1	1	3	1	5	2	1	4

Performance Indicator Twenty is based on the number of infants who die in the first year of life. A lower mortality rate gives a better rank.

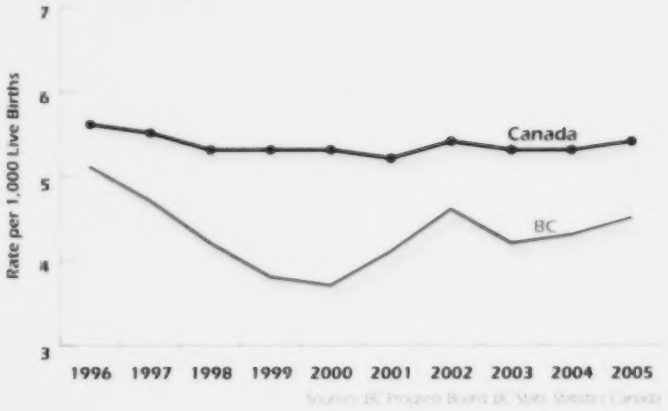
British Columbia ranked fourth for the infant mortality rate in 2005.

Ranks for this indicator exhibit considerable variation from year to year because provincial infant mortality rates are found in a narrow range. Thus, small rate changes can yield large rank changes.

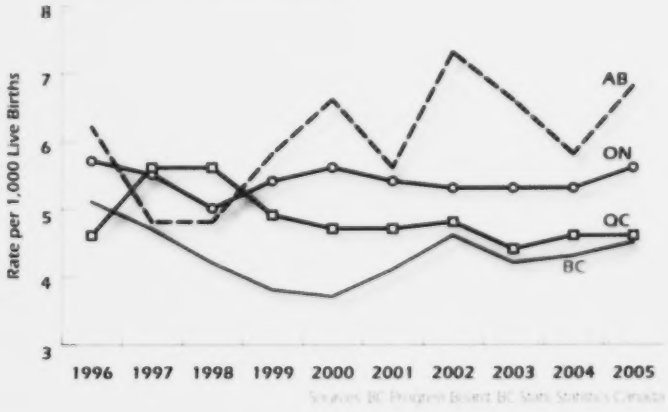
Ranks based on longer-term averages are more stable. BC has the third-lowest and lowest average infant mortality rates among the provinces for the most recent five and ten year periods, respectively.

British Columbia's average rate for 2001 through 2005 was 4.3 deaths per 1,000 live births, behind Prince Edward Island's 4.0 and ahead of last place Manitoba at 7.1.

Infant Mortality



Provinces ~ Infant Mortality



Why It's Important

This indicator is a long-established measure, not only of child health, but also of the well-being of a society. It reflects the level of mortality, health status, and health care of a population, and the effectiveness of preventive care and the attention paid to maternal and child health.

Performance Indicator 21 Potential Years Lost

Where BC Ranks

PROVINCIAL COMPARISON

Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rank	2	2	2	1	2	2	2	2	2	2

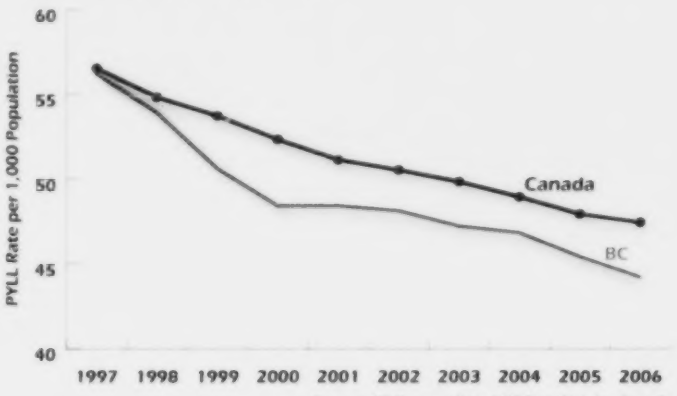
Performance Indicator Twenty-One is an indicator of premature mortality where lower values mean better performance.

British Columbia ranked second in terms of Potential Years of Life Lost (PYLL) in 2006, behind Quebec and ahead of Ontario.

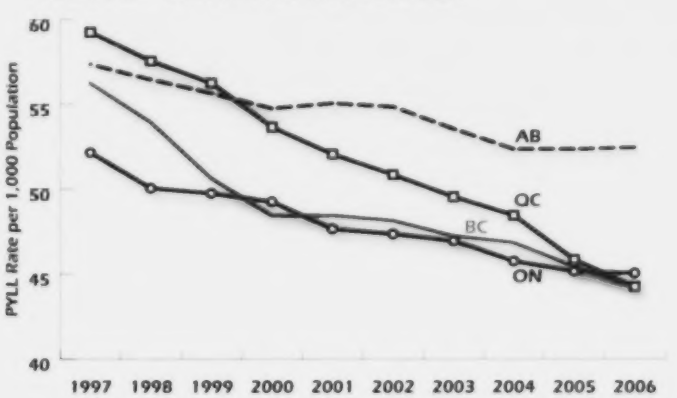
Every province except Prince Edward Island noted a decline in their PYLL rate between 1997 and 2006. British Columbia had the second-largest decrease, behind Quebec but ahead of Ontario and Alberta. The nation as a whole saw a 16.2 percent decline in potential years of life lost per 1,000 population over the 1997 to 2006 period.

This indicator gives greater weight to deaths that occur at younger ages than to those at older ages, and can vary according to gender, socio-economic status, and geographic region. For the purposes of the PYLL calculation, premature death is defined to be any death between the ages of zero and 74 and is the sum of the differences between the actual age at death and age 75.

Potential Years of Life Lost



Provinces ~ Potential Years of Life Lost



Why It's Important

Potential Years of Life Lost (PYLL) represents the number of years lost when a person dies prematurely.

Performance Indicator 22

Low Income Cut-Offs

Where BC Ranks

PROVINCIAL COMPARISON

Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rank	9	9	10	9	10	10	10	10	9	9

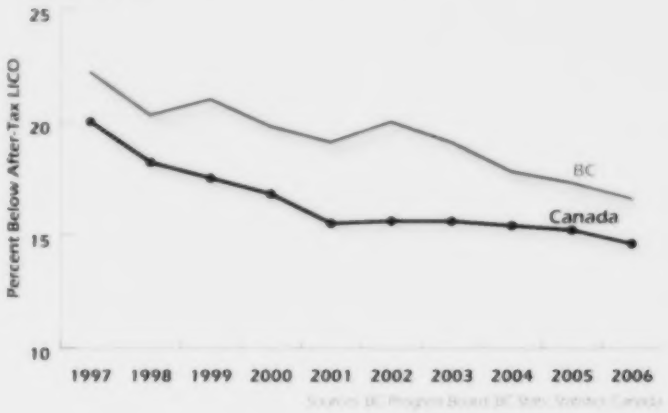
Performance Indicator Twenty-Two uses data on the number of people with incomes below a level identified by Statistics Canada as relatively low. The province with the lowest proportion earns the best rank.

In 2006, BC ranked second-last in Canada with 16.6 percent of families and unattached individuals with incomes below the after-tax low income cut-off (LICO).

All provinces saw decreases in the proportion of people with low income between 1997 and 2006. British Columbia had the third-smallest decrease at 25.2 percent and Alberta had the largest decrease at 45.4 percent. BC's rate fell by four percent between 2005 and 2006. This did not result in a rank improvement, however, because Saskatchewan, New Brunswick, Alberta and Manitoba had decreases in low income rates that were two or three times as large.

British Columbia was, however, the only province with decreases in its LICO rate in each of the last four years.

Low Income Prevalence for Families and Unattached Individuals



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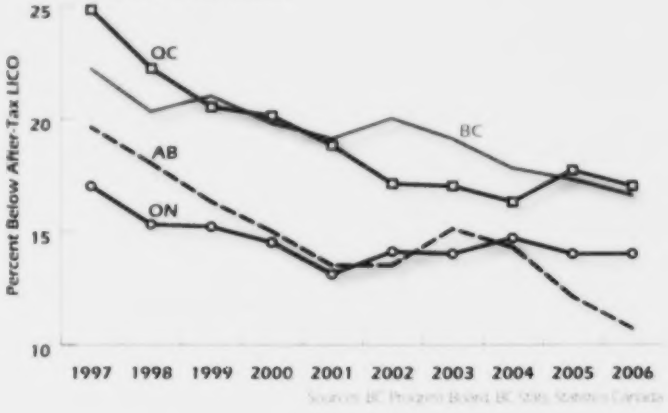


LOW INCOME CUT-OFFS: NECESSARY BUT INSUFFICIENT

The antiquated base of the LICO, the use of national inflation rates, the pooling of communities from the Atlantic provinces to the west, ignoring household size and characteristics data, and exclusion of those who are the least well off in our communities from the survey. These characteristics combine to make Statistics Canada's LICO too abstract and limited to be the primary tool in the analysis of incidence of either low income or poverty.

While acknowledging, as Statistics Canada does, that "decisions on what defines poverty are subjective and ultimately arbitrary",[1] social concerns about poverty and its consequences drive the need to both define and measure it, in order to determine its extent, and to monitor the effectiveness of policies to deal with it.

There is therefore widespread interest in measures of low income such as Statistics Canada's Low Income Cut-Off (LICO), both for what they tell us about the extent to which some are less well-off and for how they can assist in policy development and monitoring. However, given the methodology for calculating the base and the process for annual updates of Statistics Canada's LICO, the measure unfortunately contributes little to identifying those who are less well-off, or towards useful policy directions to help them.

Poverty generally refers to groups or individuals who lack "the basics" – food, clothing and housing – to live in a manner that society deems acceptable. This has led to poverty being defined first in terms of consumption, and from there in terms of the cost of consuming "the basics", and then to what income levels are required to cover those costs. There are significantly more data available on incomes than there are on expenditures, consumption, or poverty.

LICO IS NOT A POVERTY LINE

"Statistics Canada has always referred to the low income cut-offs and low income measures as indicators of the extent to which some Canadians are less well-off than others based solely on income and as such are low income and not poverty measures."

Statistics Canada, "Low Income Cut-offs for 2007 and Low Income Measures for 2006", Page 6.

However, the range of income-based measures commonly used by the statisticians focuses on the distribution of incomes and not on the consequences of the distribution.

Several measures have emerged that acknowledge that a) households are typically the actual expenditure units and therefore should be the focus rather than individuals; b) the number of people in, and composition of, a household affects not only its income level but its expenditure patterns; and c) poverty is characterized in part by the local contexts of incomes and expenditures.

Conceptually, Statistics Canada's LICO attempts to address each of these three issues. Understanding the LICO calculation requires, as the following shows, a detailed discussion to reach a simple conclusion. The calculation of annual LICOs published by Statistics Canada begins with the 1992 Family Expenditure Survey and the incomes of 9,472 private households across Canada.[2] This survey does not include people living in institutional and collective dwellings (residents of seniors' homes, rooming and boarding houses, residential hotels, work camps and college dormitories, as well as prisons and hospitals) or the homeless themselves. As some would argue that "being less well off" may well be concentrated in these groups, this is a significant limitation of the LICO calculation.

Performance Indicator 22

Low Income Cut-Offs

The first step in the calculation of the LICO base was to group the 1992 data into seven household size categories (from one person to seven plus). While acknowledging that households of different sizes have different resources and expenditures, this categorization does not address any of the underlying characteristics of these households. A mortgage free owner-occupier retiree couple, two university students renting a basement suite and a single mom with one child renting an apartment would all fall into the same household size category, although each would probably have significantly different spending and income patterns.

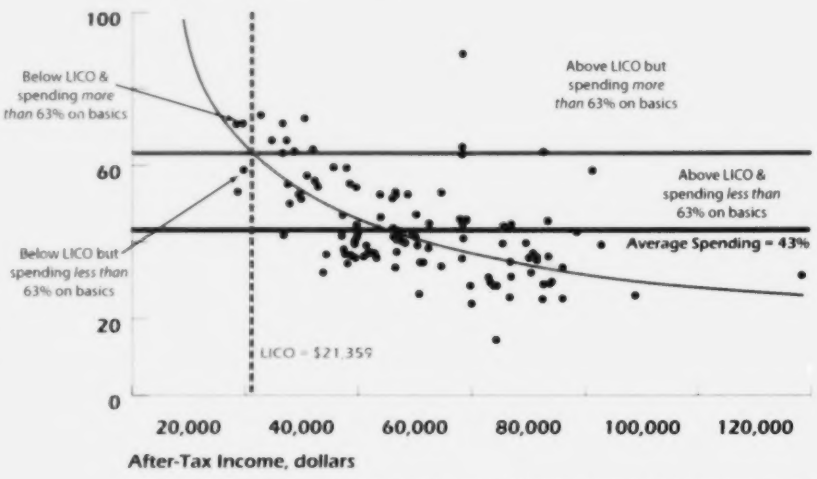
The type of community people live in has an impact on not only their income but their expenditures as well. To acknowledge this, Statistics Canada cross tabulated the seven household sizes with five community sizes, beginning with rural areas and moving up to communities of more than 500,000 people. Unfortunately, this categorization was done only at the national level. Aggregating Abbotsford, Sudbury and Saint John may reflect city size, but it does not recognize that Abbotsford may have a different context for being "less well off" than Sudbury or Saint John.

Statistics Canada illustrates the base LICO calculation using a four person household living in a community of 30,000 to 99,999 residents (see figure). The plot of the percentage of household income spent on basics (food, shelter and clothing) relative to their after-tax income shows that the average four person household in this sized community spent 43 percent of its after tax income on basics. A curve was then used to mathematically describe the spending pattern.

Statistics Canada assumes that those spending 20 percent more than this 43 percent average on basics (therefore where the 63 percent line intersects the curve fitted through the plot) are those who are deemed to be "less well off". This marks the Low Income Cut-off (LICO), in the case for these households, those with incomes that fall below $21,359.

While there are two data points in this example that fall below the LICO and spend more than 63 percent of their income on basics, there are also two that fall below the LICO who are spending just under the 63 percent of their after tax income on basics. Further, there are 11 households who spend more than 63 percent on basics but have an income that falls above the Low Income Cut-off.

Calculation of an After-Tax LICO



Source: Generated based on Figure 1 of Statistics Canada's "Low income cut-offs for 2007 and low income measures for 2006", 75F0002M – No. 004

Performance Indicator 22 Low Income Cut-Offs

The calculation method results in the loss of all the relative expenditure considerations that LICO was supposed to capture.

This is of particular concern when communities with significantly different costs of living are placed in the same size group. Aggregating a relatively expensive community (in terms of both incomes and the cost of basics being higher) in a pool with an inexpensive one (where neither are as high) will result in less well off households in the expensive community falling above the LICO even though they may be decidedly less well off in their community than people who would fall below the LICO in the inexpensive community.

Another concern is that the number of observations used in the curve fitting is very small. There were only 9,472 families surveyed as part of the 1992 Family Expenditure Survey. This represents a relatively small sample of the ten million Canadian households at this time. This could be remedied by using a larger base population, but this would result in losing some of the household size and geographic detail, both of which are fundamental to the reason for calculating a Low Income Cut-off. Alternatively, a much larger household sample could be used, but this would require a LICO specific survey to collect the data rather than attempting to use existing Family Expenditure survey data.

This brings us to the fact that the 1992 data are the only expenditure and income data used directly in the calculation of LICO, as the Cut-offs for subsequent years are established by merely applying the national inflation rate to the 1992 data. The Survey of Household Spending – an annual survey conducted by Statistics Canada to track household spending in Canada – could be used to create up-to-date measures.

Given these limitations, it would be prudent to use the LICOs in a general and qualified context. However, they are published in a great amount of detail, outlining the percent of people falling below the LICO for the smallest and largest of communities in every region of the country, and for everyone in those communities from women 65 and older living alone to single parent males with children under the age of 18.

While LICO may be a necessary benchmark for organizations such as the Progress Board, as it provides a third party measure that allows interprovincial comparisons, it has largely outlived its usefulness. Poverty should be studied directly, because it is relative (and hence must be measured within the context in which it occurs), complex, and overwhelmingly concentrated among people who do not typically "show up" in standard data sets. This will require both the organizations who maintain measures of low income, and the organizations who rely on their publication, to work together to rethink both the data that form the basis of their calculations and the policy implications of the new findings. Given its weaknesses, it is time to revise the Low Income Cut-Off methodology and develop additional measures that will allow us to focus on those who are truly in need and craft effective policies to help them.

Source: Urban Futures

Notes: [1] Statistics Canada "Low Income Cut-offs for 2007 and Low Income Measures for 2006, Page 6. [2] Statistics Canada, 1992 Family Expenditure Survey

Performance Indicator 23

Low Birth Weight Rate

Where BC Ranks

PROVINCIAL COMPARISON

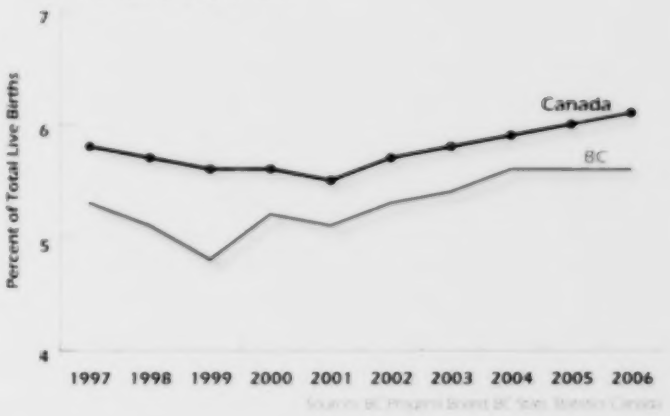
Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Rank	3	2	1	5	2	5	3	5	3	3

Performance Indicator Twenty-Three is based on the number of infants born weighing less than 2,500 grams. The lowest ratio earns the best rank.

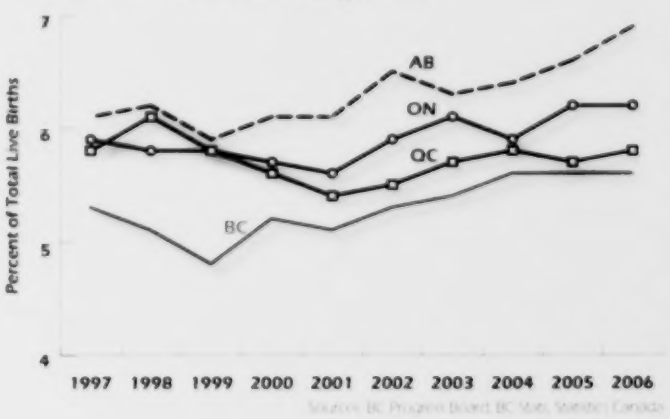
In 2006, British Columbia ranked third in Canada with 5.6 of all live births weighing less than 2,500 grams. BC's low weight birth rate was 5.3, on average, between 1997 and 2006, the second-lowest average in the country.

Except for fifth place ranks in 2000, 2002 and 2004, British Columbia held either first, second or third place among the provinces over the period 1990 through 2006.

Low Birth Weight Rate



Provinces ~ Low Birth Weight Rate



Why It's Important

The World Health Organization uses the low birth weight rate as an indicator of general social condition in a jurisdiction. This indicator serves as a barometer of overall access to health and education services, and of the level of socio-economic inequality. Low birth weight newborns have a substantially higher rate of post birth illness and death. In addition, long-term health problems, lower IQ and academic achievement, increased disabilities and hospitalization rates are associated with low birth weight.

Factors that contribute to low birth weight are socio-economic status, social support, stress and personal habits.

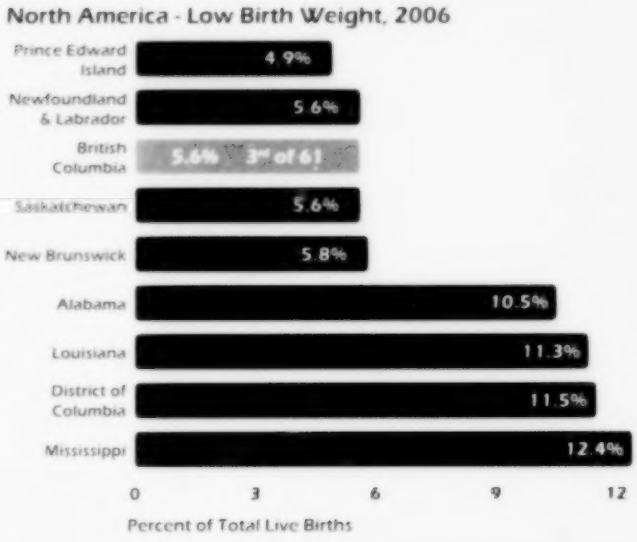
Performance Indicator 23 Low Birth Weight Rate

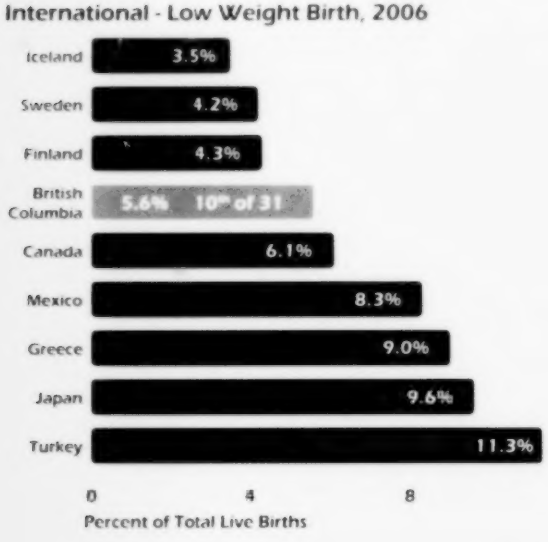
North American Comparison

British Columbia ranked third among the 61 subnational jurisdictions for average low birth weight rate in 2006.

Prince Edward Island earned first place and the lowest ranked province was Alberta at 23rd.

The District of Columbia, Louisiana and Mississippi have had the bottom three ranks for the last five years, although not always in the same position every year.





International Comparison

British Columbia performs well on the low birth weight rate in relation to OECD countries. BC ranked tenth out of 31 jurisdictions with a low birth weight rate of 5.6 percent in 2006. Iceland ranked first with a low weight birth rate of 3.5 percent. Canada ranked 12th in the OECD with a low birth weight rate of 6.1 percent.

Worldwide, 15.5 percent of all infants are born with low birthweight and 95 percent of these are in developing countries. At 16.5 percent, the level of low weight births in developing countries is more than double the 7.0 percent rate for developed countries. The highest incidence of low weight births is in South-Central Asia, where 27.0 percent of infants have low birth weight.

Notes

Canada's rate as reported by Statistics Canada differ slightly from those reported by the OECD. Statistics Canada's values are used in the above analysis; this change did not affect Canada's rate or rank.

Performance Indicator 23 Low Birth Weight Rate

NORTH AMERICAN COMPARISON

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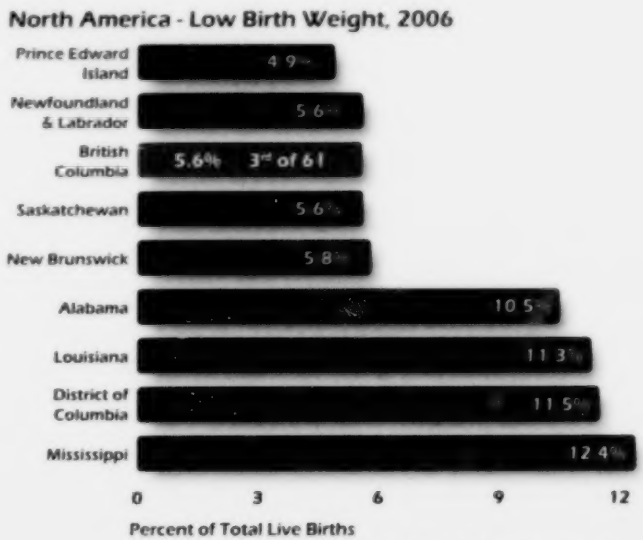
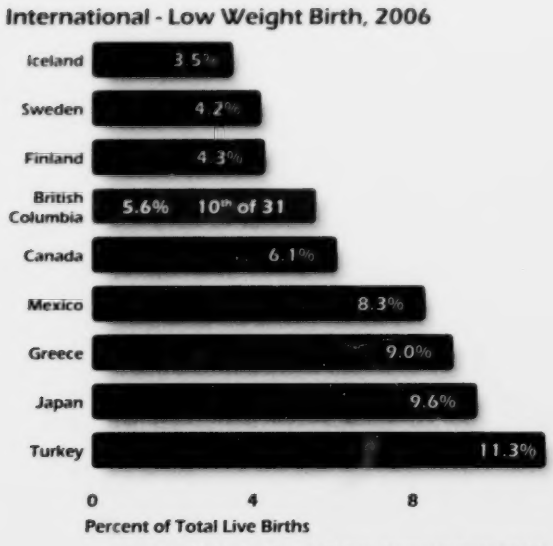


Sources: BC Progress Board, BC Stats, Statistics Canada, US Department of Health and Human Services



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Performance Indicator 24

Crime Rates

Where BC Ranks

PROVINCIAL COMPARISON

Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Rank	10	10	10	9	10	9	9	10	10	10

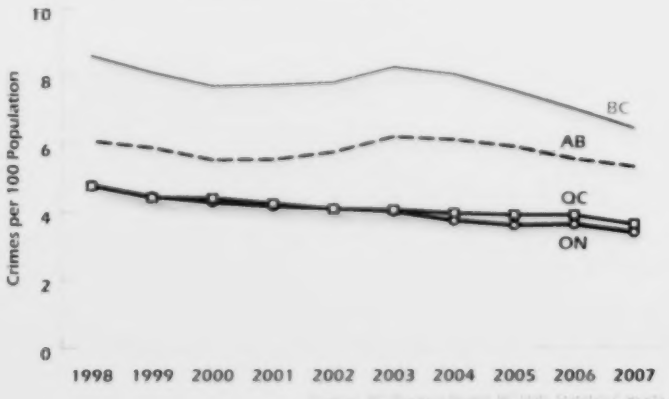
Performance Indicator Twenty-Four is based on the number of personal and property crimes in a jurisdiction. Higher crime rates produce worse ranks.

In 2007, BC had the worst combined personal and property crime rate among Canadian provinces. Crime rates have fallen significantly between 1998 and 2007. BC's rate fell by 25 percent, second only to Ontario.

The crime rate in BC has fallen from 8.6 crimes per 100 people in 1998 to 6.5 crimes per 100 people in 2007. After three years of increases, crime rates in BC fell by 2.5 percent in 2004, and by more than six percent in each of the three years since.

Personal and Property Crime

Provinces ~ Personal and Property Crime



Why It's Important

The crime rate is both a reflection of community safety and security and an indicator of other social and economic problems. It can reflect a lack of employment opportunities, inadequate education or social dysfunction. Crime is costly to society, both from individual and community perspectives.

Performance Indicator 24 Crime Rates

North American Comparison

British Columbia ranked second-last among the 61 subnational jurisdictions on this indicator in 2007.

BC's crime rate has fallen by at least seven percent in each of the last three years and has earned the ninth, eleventh and seventh place ranks for North American reductions. Although it is still high, BC's rate was only 1.6 percent above the next highest jurisdiction in 2007 whereas its rate was 9.1 percent higher in 2004.

Personal vs. Property Crime

Personal crime includes those offenses in the Criminal Code that deal with the application or threat of application of force to a person, including homicide, attempted murder, assault, sexual assault, robbery and abduction.

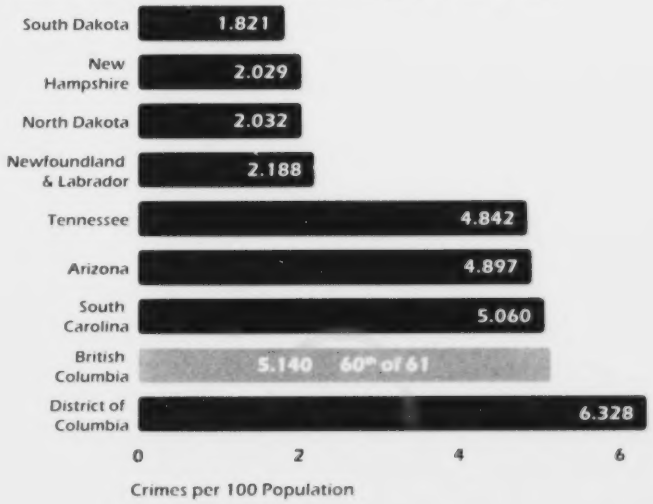
Property crime includes unlawful acts with the intent of gaining property that don't use violence or threats (e.g., theft, breaking and entering, fraud and possession of stolen goods).

Personal crimes represent roughly one in five crimes in BC, meaning the majority of crime is against property. In 2007 and, on average between 1998 and 2007, BC had the highest property crime rate and the third highest personal crime rate among the provinces behind Sakatchewan and Manitoba.

Note

The North American comparison uses a subset of the personal and property crimes in performance indicator 24. Adjustments have been made to the Canadian data to make it comparable to the US data.

North America - Personal and Property Crime, 2007



Reporting Rates

Victimization surveys show that only a fraction of crimes are reported to police. Reporting rates generally increase as the severity of the crime increases. In recent years, reporting has remained stable for violent crime, theft and vandalism but has fallen for a number of property related offenses.

Crime by City in North America

Detailed crime data are available by province, state and major metropolitan areas.

City by city comparisons show that, consistent with ranks reported above for British Columbia, Vancouver has one of the highest combined

Continued on following page.

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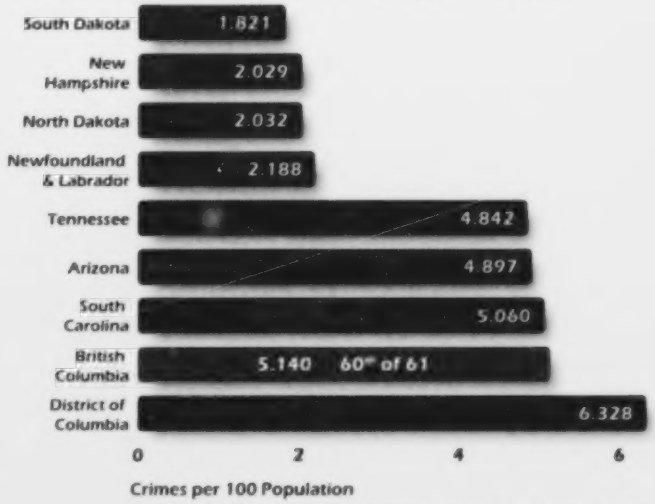

Sources: BC Progress Board, BC Stats, Statistics Canada, US Federal Bureau of Investigation

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Continued on following page.

CRIME RATE DETAIL - Continued from previous page

violent and property crime rates among major Canadian and American cities.

While Vancouver has high property crime rates – the highest theft rate, the fourth-highest break and enter rate, the sixth-highest motor vehicle theft rate and the third-highest overall rate – it ranks better on violent crimes and has rates below those found in all the US cities profiled except Boston.

Vancouver's violent crime rate of 384 incidents per 100,000 population earned it a ninth place rank, behind top ranked Quebec at 172 incidents per 100,000 population and ahead of bottom ranked Detroit with 678.

Vancouver ranked sixth on the homicide rate with 2.4 per 100,000 population, above the national average of 1.8 but less than one-quarter of bottom ranked Detroit.

A similar pattern shows up for aggravated assault and robbery, although the spreads between Vancouver's rate and the bottom ranked cities are not as large.

Crime Rates for Canadian and American Cities, 2007, per 100,000 population

	Violent Crime				Property Crime				Total	Rank (of 18)
	Homicide	Aggravated Assault	Robbery	Total	Break and Enter	Motor Vehicle Theft	Theft	Total		
Vancouver	2.4	226	155	384	995	630	3,028	4,653	5,036	16
Winnipeg	3.6	253	268	524	1,022	1,714	2,114	4,851	5,375	18
Phoenix	8.2	275	179	463	972	857	2,824	4,653	5,116	17
Dallas	5.9	265	202	473	1,025	461	2,822	4,308	4,780	14
Edmonton	3.3	218	157	378	817	832	2,828	4,477	4,856	15
Houston	8.8	371	269	648	1,001	552	2,556	4,109	4,758	13
Calgary	3.1	148	106	257	602	639	2,136	3,376	3,634	11
Detroit	10.9	459	209	678	811	860**	1,852	3,524	4,202	12
Montreal	1.6	171	133	305	755	601	1,648	3,004	3,309	9
Washington	7.7	211	206	425	398	493	1,983	2,874	3,299	8
Hamilton	1.6	117	116	234	594	481	1,539	2,613	2,847	6
Los Angeles	7.3	287	238	532	523	531	1,511	2,565	3,097	7
Philadelphia	9.5	324	264	598	528	341	2,020	2,889	3,487	10
Ottawa	1.4	104	71	176	551	272	1,674	2,496	2,673	5
Quebec	*	118	54	172	716	216	1,449	2,381	2,553	3
Toronto	2.0	138	113	253	362	279	1,312	1,954	2,206	1
New York	4.5	220	180	404	292	188	1,353	1,834	2,238	2
Boston	2.8	255	107	365	470	216	1,594	2,280	2,645	4
British Columbia	2.0	220	113	335	994	619	3,110	4,723	5,058	n/a
Canada	1.8	176	90	268	700	443	1,809	2,953	3,220	n/a
US	5.6	284	148	437	723	363	2,178	3,264	3,701	n/a

Sources: BC Stats, Statistics Canada, US Census Bureau, US Federal Bureau of Investigation. Notes: * = less than 1, ** = 2006 value

Performance Indicator 25 Income Assistance

Where BC Ranks

PROVINCIAL COMPARISON

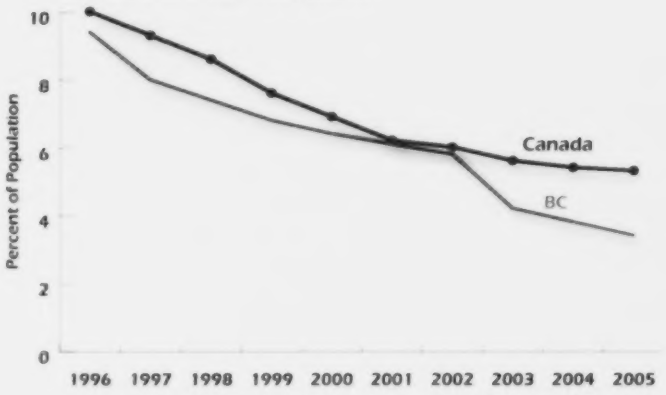
Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Rank	6	4	4	4	5	6	6	2	2	2

Performance Indicator Twenty-Five is based on the number of people receiving income assistance. Provinces with lower ratios earn better ranks.

In 2005, BC ranked second in Canada with 3.5 percent of the population in receipt of income assistance. This was well below the Canadian average of 5.3 but still higher than Alberta's 2.7 percent ratio. The highest ratio, 9.4 percent, was in Newfoundland and Labrador.

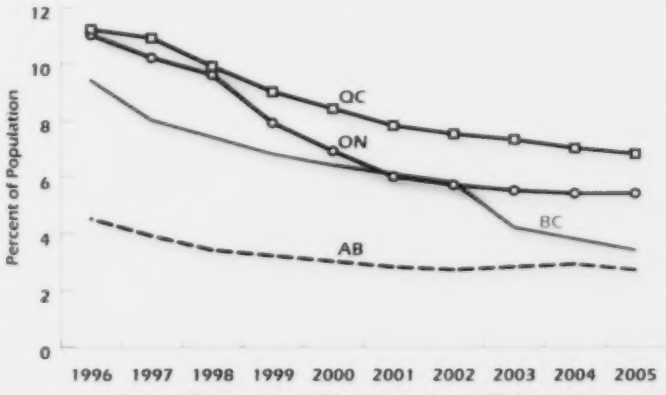
British Columbia experienced a 63.4 percent decrease in the proportion of people on income assistance between 1996 and 2005. This was the largest decrease in the country. Newfoundland and Labrador (26.7 percent) had the smallest decrease. The percent of Canadians in receipt of income assistance fell by 46.9 percent between 1996 and 2005.

Income Assistance Recipients



Sources: BC Progress Board, BC Stats, Statistics Canada, BC Ministry of Housing and Social Development, Alberta Human Resources and Employment

Provinces ~ Income Assistance Recipients



Sources: BC Progress Board, BC Stats, Statistics Canada, BC Ministry of Housing and Social Development, Alberta Human Resources and Employment

Why It's Important

The proportion of the population collecting income assistance benefits (commonly referred to as welfare) is an important indicator of the economic health of a jurisdiction and may also indicate problems in the incentive structure of the income assistance programs available within a jurisdiction.

Note

Data for all provinces were not available in time for publication. BC's ratio was 3.1 percent in 2006 which will likely yield a second place rank.

Performance Indicator 26

Long-Term Unemployed

Where BC Ranks

PROVINCIAL COMPARISON

Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Rank	6	8	8	8	9	10	8	9	7	6

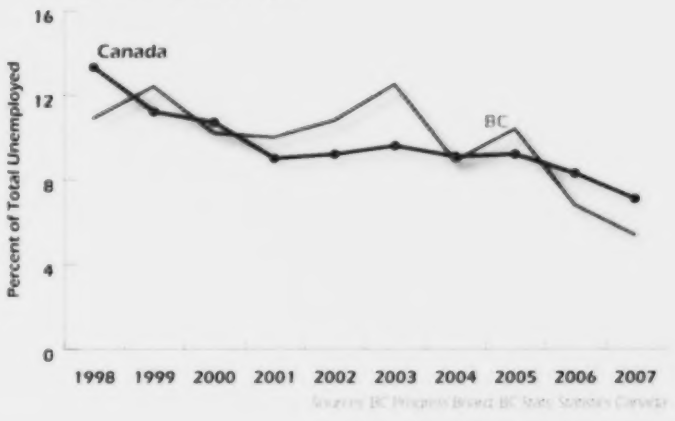
Performance Indicator Twenty-Six tracks the proportion of those unemployed for 52 weeks or longer. Lower ratios earn better ranks.

British Columbia earned the sixth place rank in 2007. The last time British Columbia ranked this well was 1998.

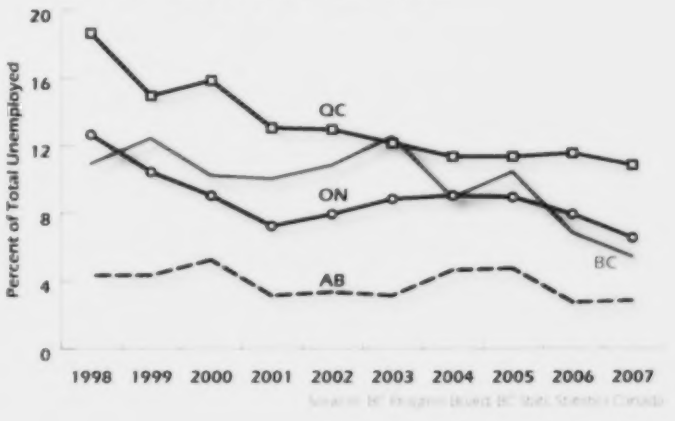
Decreases in BC's long-term unemployment rate have outweighed increases since the 14.3 percent peak in 1997. British Columbia's rate was slightly below the national average in 2004, above it in 2005 and was well below in both 2006 and 2007.

Long-term unemployment rates have fallen across the country since 1998.

Long-Term Unemployed



Provinces ~ Long-Term Unemployed



Why It's Important

Long-term unemployment generally remains high for several years during economic recoveries, even though the unemployment rate rapidly adjusts downward. The last workers laid off are generally the first to return to work when the economy improves. People who have been unemployed for some time, along with less-skilled workers, are a larger proportion of this unemployed population.

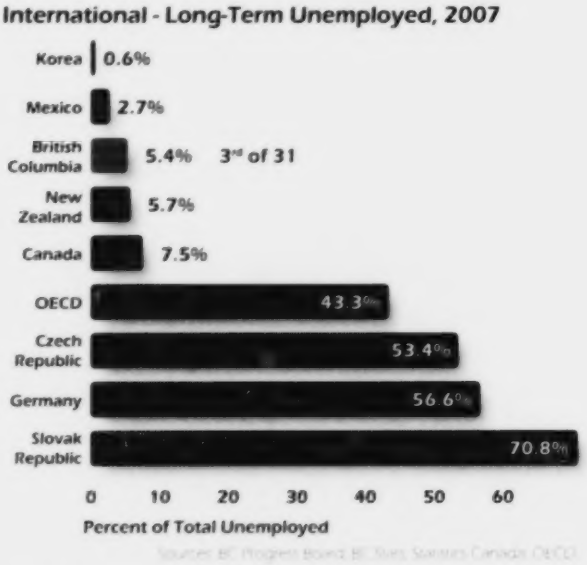
Performance Indicator 26 Long-Term Unemployed

International Comparison

In 2007, British Columbia ranked third compared to OECD countries although BC's rate was much higher than those in Korea or Mexico. Canada ranked fifth in 2007.

Both BC and Canada have low long-term unemployment rates compared to OECD countries. Both were well below the total OECD rate of 43.3 percent in 2007.

Except for Norway, Sweden and Iceland, Europe has much higher long-term unemployment rates on average than non-European OECD members.



Sources: BC Progress Board, BC Stats, Statistics Canada, OECD

Long-Term Unemployment and Long-Term Joblessness

A common concern about unemployment statistics is that they fail to record significant numbers of people who want to work but are excluded from the standard international definition of employment. For example, "discouraged workers," those who are not looking for work because they believe no jobs are available, are not counted because they have not looked for work in the past four weeks.

This topic is of particular relevance for BC as relatively low employment engagement has been shown to explain a large part of BC's poor performance on the Low Income Cut-Off. A broader concept that is worth consideration is "long-term joblessness." It is usually defined as working-age people who were not in employment at the time of the interview and have not worked within the last one or two years.

An OECD analysis of this topic used data on men aged 25-54 because they are generally expected to be employed unless disabled or in extended education.

This analysis showed considerably higher ratios for long-term joblessness than long-term unemployment. In addition, Canada's rank went from third best to tenth best among the nineteen jurisdictions reviewed.

Source: Organisation for Economic Cooperation and Development, *OECD Employment Outlook*, 2002.

Notes

Those (aged 15 and older) that were unemployed for 52 weeks or longer are considered long-term unemployed. The data shown for BC and Canada have not been adjusted to match the OECD standard.

>> Internal Performance Review

Economy, Innovation and Education

Metro Vancouver, which is identical to the Vancouver Census Metropolitan Area (CMA) outperforms Regional BC on five of ten regional Economy, Innovation and Education indicators. They are: employment income; building permits; university completion; science employment; and, new business formation. Metro Vancouver and Regional BC are essentially tied on employment rate, housing starts and secondary school graduates. Regional BC has the edge in manufacturing shipments and retail sales.

Environment, Health and Society

Metro Vancouver and Regional BC are more closely matched in the eight Environment, Health and Society indicators than in the Economy, Innovation and Education comparisons. Regional BC clearly outperforms Vancouver on social condition but they are more or less tied for the other indicators. Even though there are differences, they are either small or the numbers are so low compared to those from ten years ago that the differences are not worth highlighting.

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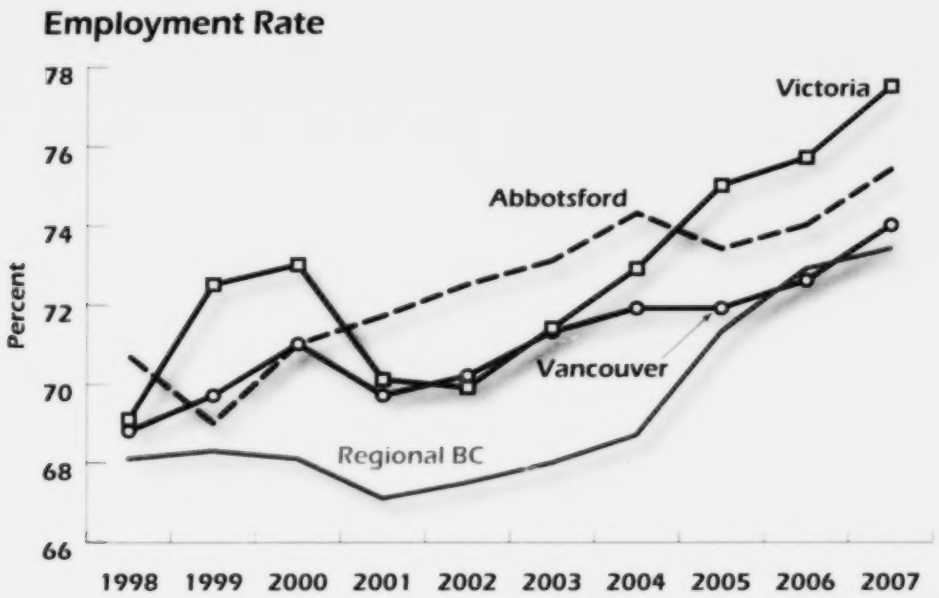
Regional Indicator 1 Employment Rate



Sources: BC Progress Board, BC Stats, Statistics Canada

Regional Indicator One is the percent of the population (ages 15 and over) that is employed. The higher the employment rate, the better the rank.

British Columbia's employment rate increased by 1.5 percent between 2006 and 2007. Regional BC and all of the Census Metropolitan Areas (CMAs) saw improvement between 2006 and 2007 and also between 1998 and 2007.

In 2007, 73.4 percent of the people aged 15 and older in Regional BC were employed. Rates in the CMAs were all above this but were within five percent.

The Northeast had the highest employment rate among the development regions in 2007 and for the 1998 through 2007 average. Its average employment rate was well above second ranked North Coast & Nechako. The Kootenay Development Region had the lowest average employment rate from 1998 through 2007 with an average rate 11.6 percentage points (20.3 percent) lower than in the Northeast. Average rates were only slightly higher in the Thompson-Okanagan and Vancouver Island & Coast regions.

All development regions saw their employment rate increase between 1998 and 2007.

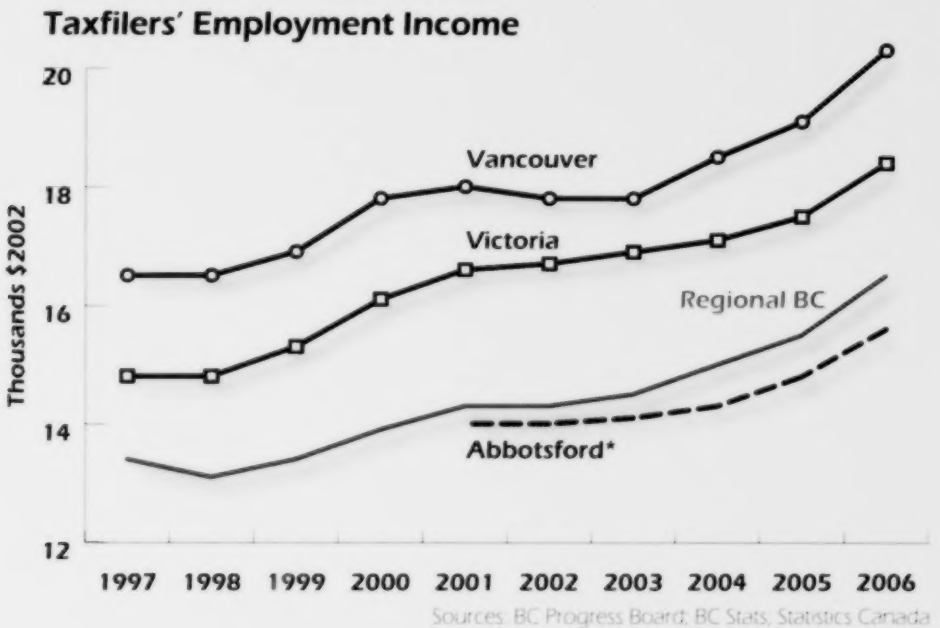
Why It's Important

The employment rate is an effective measure of the rate of labour utilization. Indeed, high labour utilization traditionally accompanies strong economic activity.

Note: The employment rate shown here for Development Regions differs from that reported elsewhere because a different population group is used.

Regional Indicator 2

Taxfilers' Employment Income



Sources: BC Progress Board, BC Stats, Statistics Canada

Regional Indicator Two measures the income earned by British Columbians from employment and self-employment as reported on tax returns to the Canada Revenue Agency.

Growth in real per capita employment income between 1997 and 2006 has been strong and widespread, ranging from a low of 24.0 percent in Regional BC to 25.2 percent in Victoria.

In 1997, real per capita employment income ranged between $13,383 in Regional BC to $16,476 in Vancouver. Regional BC and Vancouver have, respectively, been at the bottom and top of this range since 1990. In 2006, income was $3,105 higher in Regional BC and $3,792 higher in Vancouver.

The Northeast and Lower Mainland-Southwest had the highest and second-highest income among the development regions in 2006 and on average between 1997 and 2006.

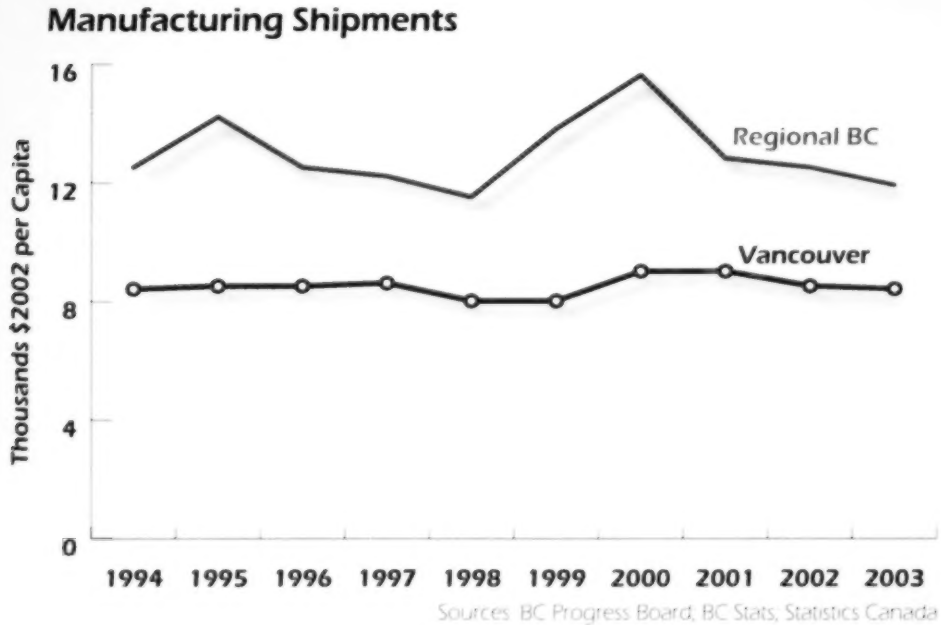
All eight development regions saw income increases between 1997 and 2006 ranging from 7.3 percent in the North Coast to 47.2 percent in the Northeast.

Why It's Important

This indicator is a measure of economic activity and individual prosperity.

Notes: *Regional BC includes the Abbotsford and Kelowna CMAs.
The population series used for Regional BC has been revised resulting in lower values than previously reported.

Regional Indicator 3 Manufacturing Shipments



Sources: BC Progress Board, BC Stats, Statistics Canada

Regional Indicator Three is a measure of manufacturing activity. Unfortunately, the data have not been updated for several years.

The major sources of BC's manufacturing shipments are: wood products, paper products, food, and fabricated metal & machinery. Wood products is the largest at 30.9 percent of total manufacturing shipments, followed by paper products at 13.9 percent, food manufacturing at 11.9 percent and fabricated metal products and machinery manufacturing at a combined 9.8 percent. Taken together, these industries were responsible for 66.5 percent of BC manufacturing shipments in 2004.

Manufacturing shipments remained an important part of overall provincial GDP throughout the 1990s and into the current decade. Real manufacturing shipments were $31.8 billion in 1990 and $37.0 billion in 2003.

Real manufacturing shipments per capita were $8,896 in BC in 2003. Regional BC's real manufacturing shipments per capita were $11,929 in 2003, compared to $8,366 in the Vancouver CMA, $2,434 in the Victoria CMA and $8,447 in the Abbotsford CMA.

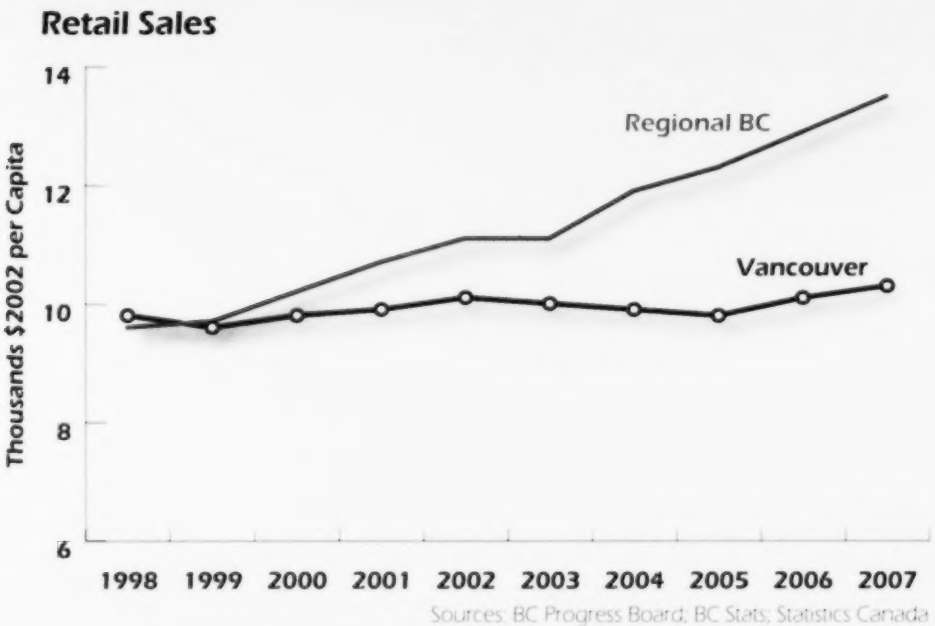
The Cariboo and Nechako Development Regions had the highest real per capita manufacturing shipments in 2003 at $20,196 and $19,263, respectively, and the highest 1999-2003 average values as well. The Vancouver Island & Coast Development Region had the lowest level of manufacturing shipments in 2003 at $4,524 and for 1999-2003 at $5,084.

Why It's Important

This indicator plays a vital role in measuring an area's overall economic activity.

Regional Indicator 4

Retail Sales



Sources: BC Progress Board; BC Stats; Statistics Canada

Performance Indicator Four measures sales at retail outlets. Direct sales that bypass the retail store such as vending machine sales and door-to-door printed materials sold directly by a publisher are excluded; sales taxes and non-operating revenue are also excluded.

Real per capita retail sales were $10,290 in Vancouver and $13,542 in Victoria, Abbotsford, Kelowna and Regional BC combined in 2007.

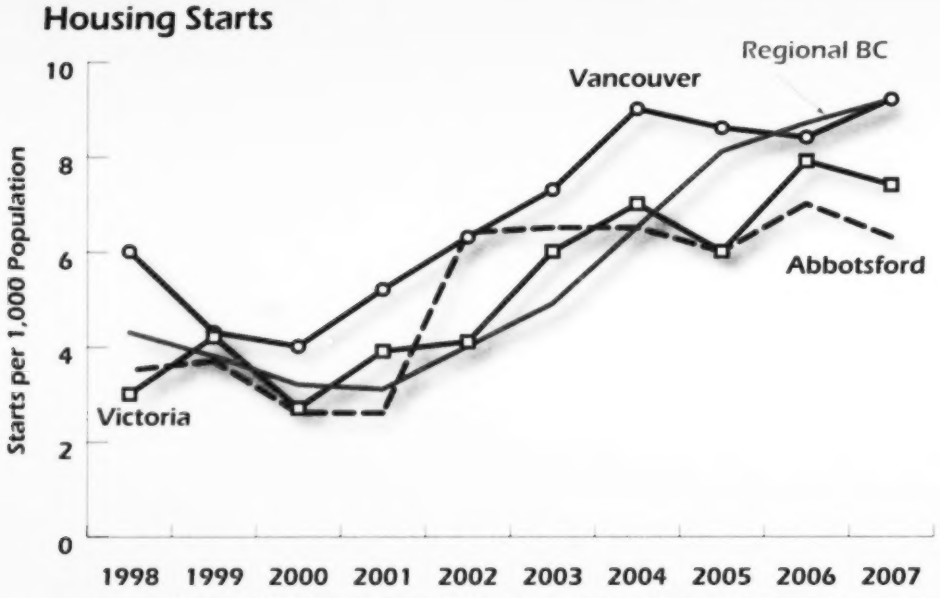
Sales in Vancouver were $500 higher in 2007 than in 1998. This 4.9 percent growth rate is well below the 40.2 percent recorded in areas outside Vancouver.

Sales fell in five of the last ten years in Vancouver to produce an annual average growth rate of 0.2 percent. Outside of Vancouver, only 1998 saw a drop in sales that resulted in an average growth rate of 3.2 percent.

Why It's Important

Retail sales constitute a significant proportion of GDP and are used as a measure of economic performance. Retail trade is one of BC's largest sources of employment. In 2007, 283,100 people were employed in BC's retail trade.

Regional Indicator 5 Housing Starts



Sources: BC Progress Board; BC Stats; Canada Housing and Mortgage Corporation

Regional Indicator Five measures the number of dwelling units started and the number of permits issued for construction. It represents the count of dwelling units in new structures designated for non-transient year-round occupancy. The start is recorded when a footing is installed. All new units are counted for urban areas of 10,000 or greater population. Less populated areas are sampled and an estimate is included.

Housing starts in BC have shown strong growth since the trough of 3.6 per 1,000 population in 2000, rising by 151 percent to reach 8.9 in 2007.

All regions saw improvement. Vancouver had the smallest 2000 to 2007 increase at 129 percent. The largest, in Regional BC, was 184 percent.

British Columbia's housing starts peaked in 1993 at 12.0 per 1,000 population. The 2007 level is 25 percent lower than the peak.

Regional variations are greater for the peak vs. 2007 level than for the 2000 to 2007 growth discussed above. Victoria's 2007 level is only 17 percent below its 1990 peak of 8.9 while Abbotsford is 61 percent below its 1990 peak of 16.1.

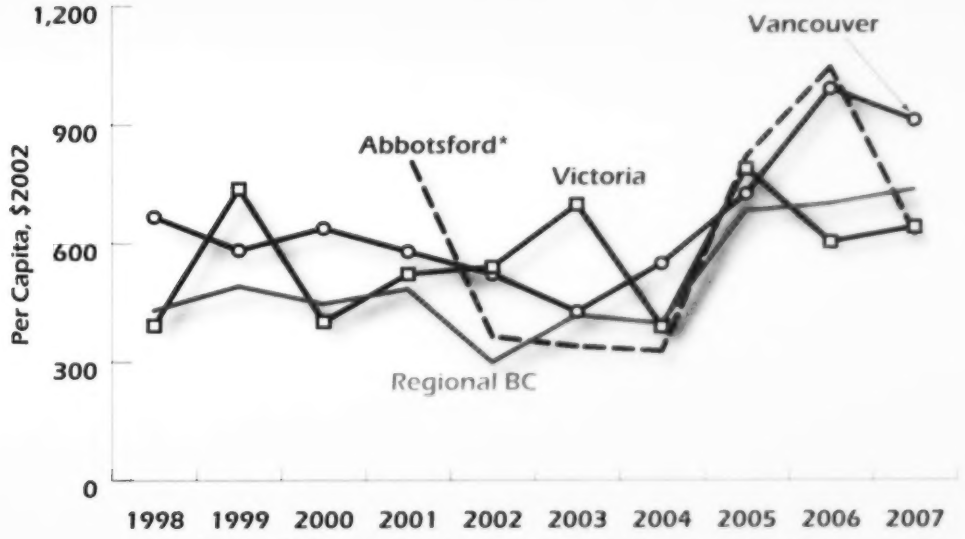
Why It's Important

Housing starts are considered a good leading indicator for home sales and a major indicator of economic activity and consumer confidence. Housing construction is an important generator of employment.

Regional Indicator 6

Building Permits

Non-Residential Building Permits



Sources: BC Progress Board; BC Stats; Canada Housing and Mortgage Corporation

Regional Indicator Six measures the dollar value of permits issued by municipalities and regional districts for non-residential buildings. It includes industrial, commercial and institutional construction, as well as new government buildings. Also included are alterations, renovations and additions to non-residential buildings.

The value of building permits in BC was above the 1990-2007 average in 2005, 2006 and 2007. Over the period 1990 through 2007 BC averaged $597 per person in real non-residential building permits. Values for 1998 through 2004 were between $42 and $167 lower than the long-run average while values for 2005 through 2007 were between $112 and $242 higher.

Regional BC and Vancouver exhibited the same pattern. Values were below the long-run average between 1998 and 2004 and above it between 2005 and 2007.

Victoria followed the same basic pattern but had above average values in 1999 and 2003 as well.

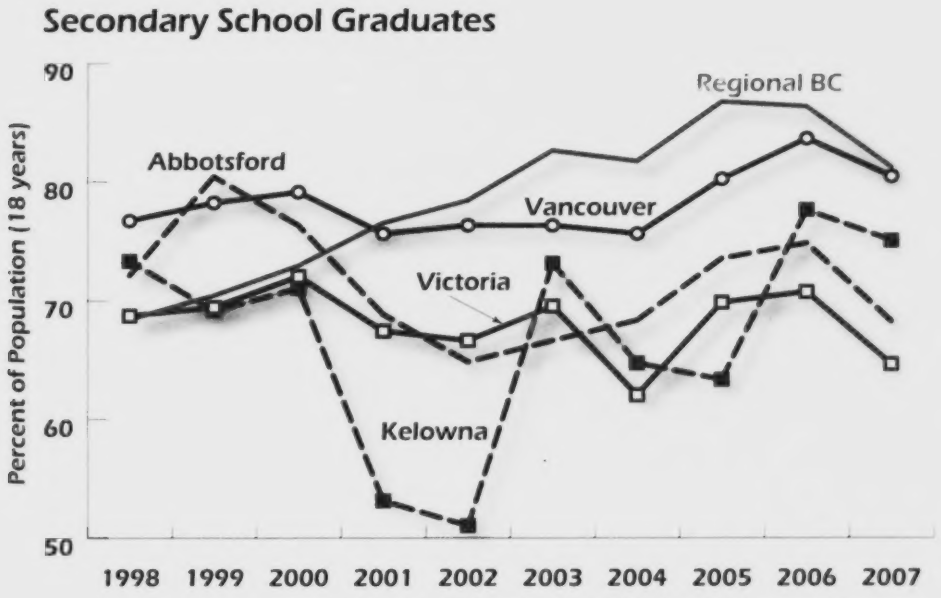
Why It's Important

The value of non-residential building permits issued is an important measure of a jurisdiction's economic activity and attractiveness to investors.

Note: *Regional BC includes the Abbotsford and Kelowna CMAs.

Regional Indicator 7

Secondary School Graduates



Regional Indicator Seven represents the number of Grade 12 students who have graduated in the school year beginning in the year noted, including those graduating as a result of August provincial exams. It is expressed as a percent of the 18 year old population on July 1st of that year. Both public and independent schools are included.

Regional BC had a graduation rate of 81.2 percent in 2007. This was higher than the rates in Vancouver (80.4 percent), Kelowna (75.0 percent), Abbotsford (68.2 percent), and Victoria (64.6 percent).

The public and independent secondary school graduation rate in BC grew by 6.1 percentage points over ten years, to reach 78.8 percent in 2007.

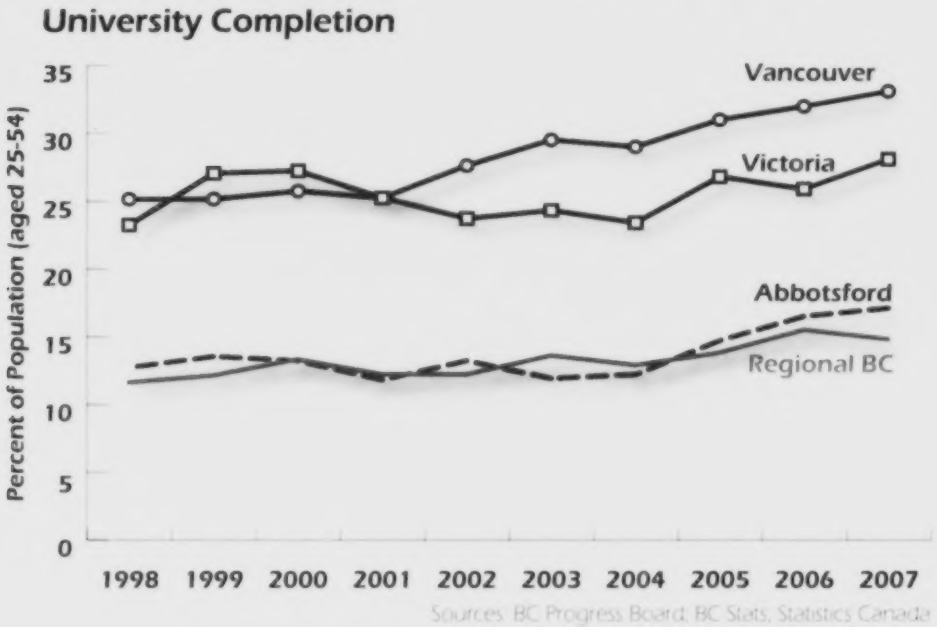
Vancouver's average annual growth rate for the graduation rate was 1.3 percent between 1998 and 2007. The equivalent rates for the other areas considered are: Victoria (0.0 percent), Abbotsford (-0.1 percent), Kelowna (3.1 percent) and, Regional BC (2.2 percent).

Why It's Important

Levels of education tend to correlate strongly with future personal prosperity and well-being. With the "knowledge" content of most jobs steadily increasing, high school graduation is deemed essential as a base qualification for other "higher learning".

Regional Indicator 8

University Completion



Regional Indicator Eight measures the percent of the population in British Columbia, aged 25 to 54, who have completed a university education. Excluded from the measure are persons in institutions, full-time members of the Armed Forces and persons living on Indian Reserves.

The percent of BC's population with a university education grew by 31.8 percent between 1998 and 2007. Over the same period, the Victoria CMA had growth of 21.3 percent, the Vancouver CMA had growth of 31.8 percent, Regional BC had growth of 27.8 percent and the Abbotsford CMA's proportion of the population (aged 25-64) with a university education grew by 34.5 percent.

The proportion of the population with a university education was similar in the Vancouver and Victoria CMAs until 2000 when Vancouver began to pull ahead.

The proportions in Regional BC and the Abbotsford CMA were similar and about half the rate seen in the Vancouver CMA.

Why It's Important

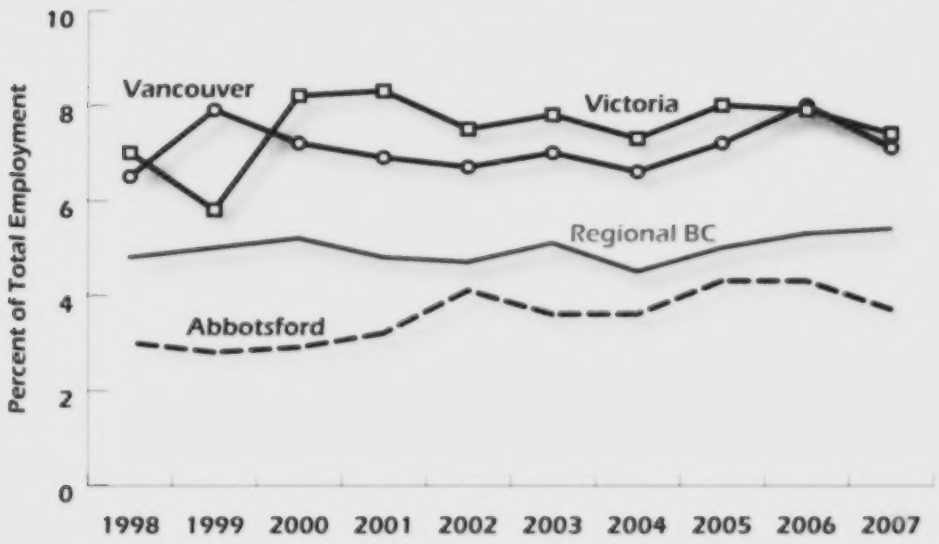
Though there are many different forms of post-secondary credentialing, university completion is an important indication of an area's efforts to build "top" academic, managerial and entrepreneurial skills necessary for the increasingly knowledge driven economy.

Note: The Kelowna CMA had a rate of 16.8 percent in 2007. Kelowna will be added to the analysis as data become available.

Regional Indicator 9

Science Employment

Natural and Applied Sciences and Related Occupations



Sources: BC Progress Board; BC Stats; Statistics Canada

Regional Indicator Nine measures the percent of a jurisdiction's total employment that is comprised of scientists and engineers.

The proportion of the workforce active in the natural and applied sciences has increased in the CMAs and Regional BC between 1998 and 2007.

The proportion in Regional BC increased by 11.3 percent from 4.8 in 1998 to 5.4 percent in 2007. The increase in the Vancouver CMA was 8.2 percent from 6.5 in 1998 to 7.1 percent in 2007. The proportion in the Abbotsford CMA increased by 22.3 percent from 3.0 in 1998 to 3.7 percent in 2007 and the Victoria CMA's increased 6.3 percent from 7.0 in 1998 to 7.4 percent in 2007.

The Victoria CMA had the highest proportion of its workforce employed in natural and applied sciences in most of the years reviewed.

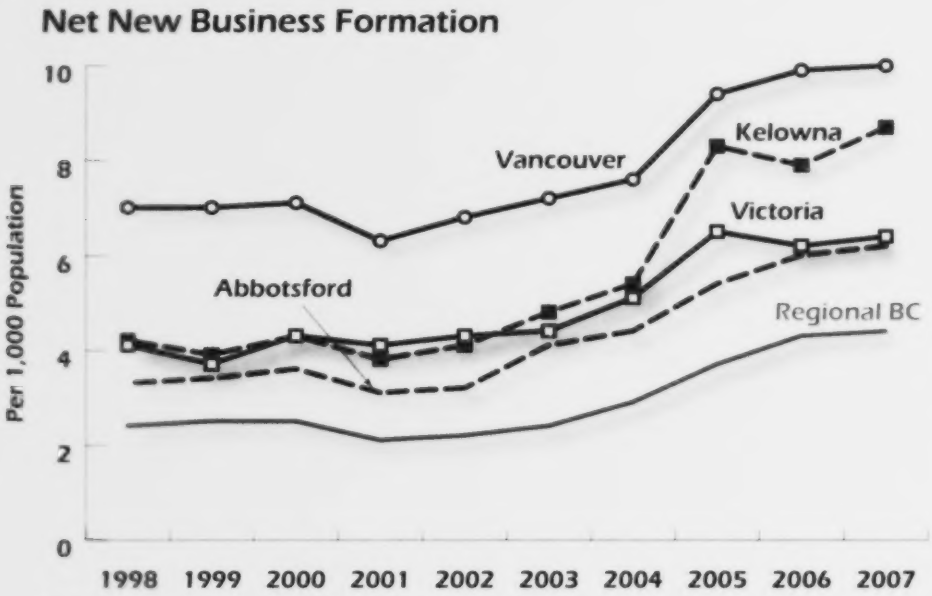
On average, the proportion in the Victoria CMA was 6.2 percent higher than the proportion in the Vancouver CMA, 51 percent higher than that in Regional BC and more than double that in the Abbotsford CMA.

Why It's Important

The number of scientists and engineers relative to total employment is a key "proxy" for the creation of high skill jobs and the attraction and retention of people who possess the knowledge and skill sets essential to the process of innovation and the creation of high paid employment.

Regional Indicator 10

Net New Business Formation



Sources: BC Progress Board, BC Stats, BC Ministry of Finance and Ministry responsible for the Olympics

Regional Indicator Ten measures net business formation by subtracting the number of business bankruptcies from the number of businesses incorporated in a given year.

There were more new business formations per capita in BC in each of 2005, 2006 and 2007 than in any other year between 1990 and 2004. The previous maximum had held since 1994.

BC averaged 5.5 net business incorporations per 1,000 population between 1990 and 2001, a trough year. Growth rates in 2002 through 2004 were above average and a there was a 25 percent jump in 2005. Although net incorporations have continued to grow, the pace has slowed. There were 6,400 more net business formations in 2005 than in 2004, 2,500 more in 2006 than 2005 and only 880 more in 2007 relative to 2006.

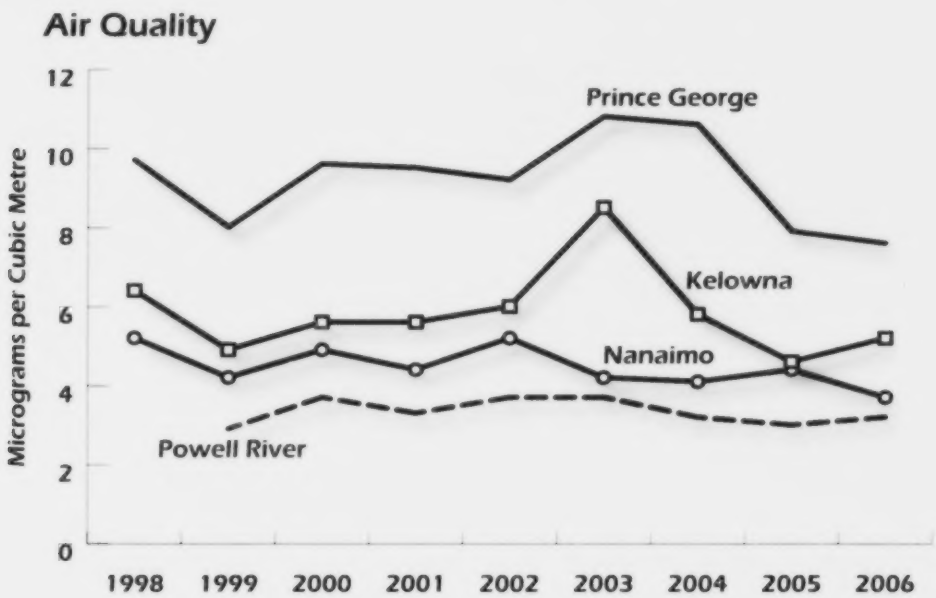
Vancouver accounts for roughly 70 percent of all net incorporations in the province. Regional BC generates another 17 percent and half of the remaining 13 percent comes from Victoria while Abbotsford and Kelowna provide less than four percent each.

Vancouver generates new incorporations well in excess of its 50 percent population share and the other areas of the province, especially Regional BC, generate less than their population shares.

Why It's Important

The number of net new business formations is an important measure of economic and entrepreneurial activity.

Regional Indicator 11 Air Quality



Sources: BC Progress Board, BC Stats, BC Ministry of Environment

Regional Indicator Eleven is measured by the amount of fine particulate matter in the air. Fine particulates include dust, dirt, liquid droplets and smoke. Factories, cars, power plants, construction activity, and numerous other sources emit fine particulates. Lower levels earn better ranks.

Powell River had the lowest annual average concentration of particulates (PM2.5) over the 2001 through 2006 period at 3.4 micrograms per cubic metre (µg/m3). Nanaimo was the next lowest at 4.3 µg/m3.

Vancouver and Victoria came in at 5.6 µg/m3 and 5.9 µg/m3, respectively. Prince George and Kelowna had the highest annual average concentration of particulate matter at 9.3 µg/m3 and 6.0 µg/m3, respectively.

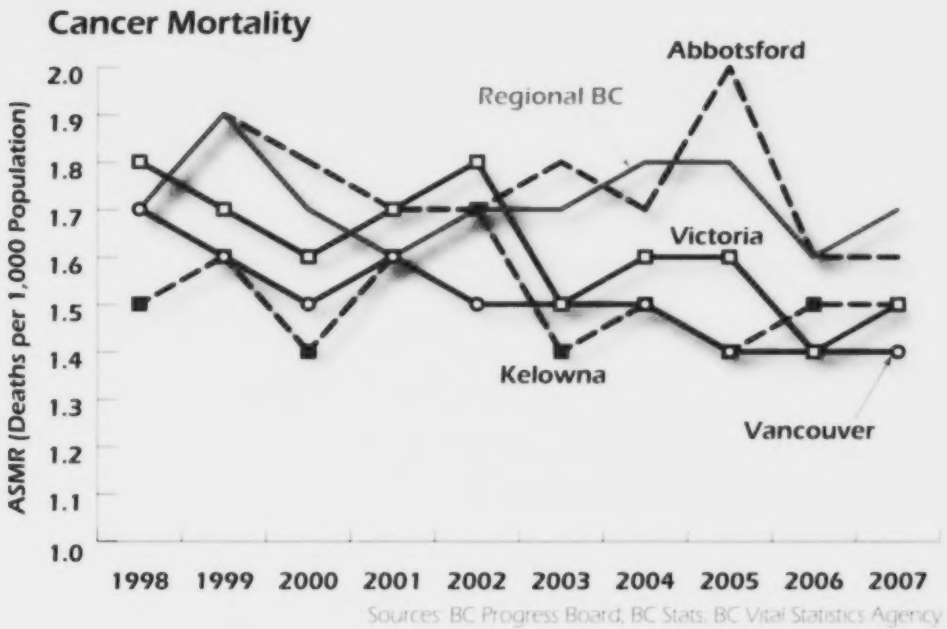
Although only four locations are presented in the figure the full set of data is available on our website.

Why It's Important

Air quality has direct effects on human health. Fine particulates may affect breathing, aggravate respiratory and cardiovascular disease, alter the body's defense systems and damage lung tissue. Both premature mortality and emergency hospital visits may increase during times of high concentrations of fine particulates.

Regional Indicator 12

Cancer Mortality



Sources: BC Progress Board; BC Stats; BC Vital Statistics Agency

Regional Indicator Twelve tracks the age standardized mortality rate (ASMR) for cancer. Lower mortality rates mean better performance.

Cancer mortality rates fell throughout most of the province between 1998 and 2007. Improvements ranged from as little as two percent in Abbotsford to as much as 14 percent in Victoria and Vancouver. The exception was the two percent increase in Regional BC.

Although there was improvement over the 1998 to 2007 period there were some mortality increases. Of the ten year-over-year changes analysed Vancouver had three increases, Victoria had four, Kelowna five, Abbotsford six, and the cancer mortality rate in Regional BC increased seven times.

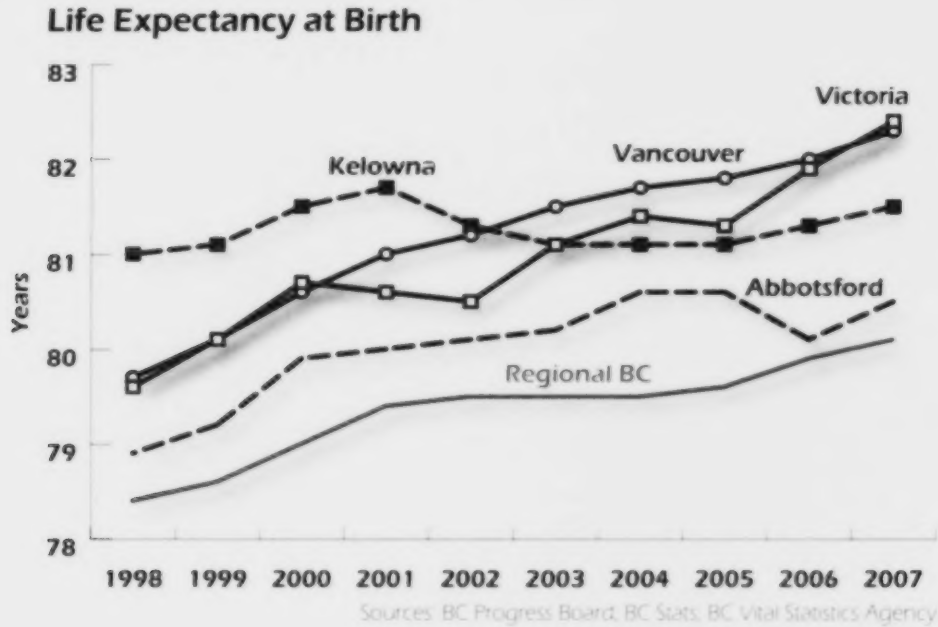
The 2007 cancer mortality rate was lower than in 1998 in all but the Vancouver Island Health Authority. Improvements ranged from three percent in the Northern to six percent in the Fraser Health Authority.

Why It's Important

Cancer is one of the leading causes of death in Canada. Cancer is a disease in which abnormal cells form in human organs or tissue and grow to form a tumour. Two-thirds of all cancers are caused by a person's lifestyle, such as diet, physical activity, drinking and smoking habits. This indicator is a proxy for the propensity of a jurisdiction's population to make healthy lifestyle choices.

Note: This indicator is based on age standardized mortality rates (ASMR). Previous reports featured standardized data as well but the new data are much more detailed.

Regional Indicator 13 Life Expectancy at Birth



Sources: BC Progress Board; BC Stats; BC Vital Statistics Agency

Regional Indicator Thirteen is the average number of years that a child is expected to live based on the mortality rates prevailing at the child's birth.

Life expectancy at birth increased throughout the province between 1998 and 2007. Improvements ranged from six months in Kelowna to three years in Vancouver and Victoria.

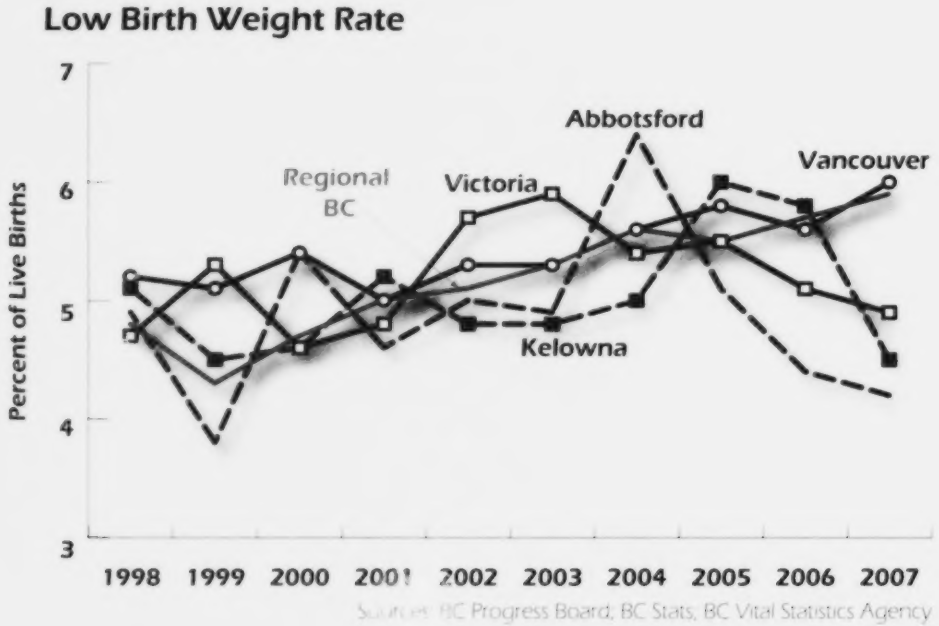
Regional BC had the lowest 2007 life expectancy at 80.1 years and Victoria had the highest at 82.4. The difference is just over two years which is close to the 1998 to 2007 gain seen in Regional BC.

Year-to-year decreases in life expectancy at birth are rare and the ones that do occur are usually small or reversed in the following period. Of the changes in the 1998 through 2007 period, there were no decreases in Vancouver or Regional BC while there was one in Abbotsford, two in Kelowna and three in Victoria.

Why It's Important

This is a key indicator measuring the overall health of citizens in a jurisdiction. An increasing life expectancy at birth indicates that the overall health status of the population is improving while a decreasing life expectancy indicates a general deterioration. Factors affecting life expectancy include access to health care, diet, environment, wealth and economic development.

Regional Indicator 14 Low Birth Weight Rate



Regional Indicator Fourteen is based on the number of infants born weighing less than 2,500 grams. The lowest ratio earns the best rank.

On average, between 1998 and 2007, 5.4 percent of infants in Vancouver weighed less than 2,500 grams at birth. Vancouver had the highest average and the lowest, 4.9 percent, was in Abbotsford.

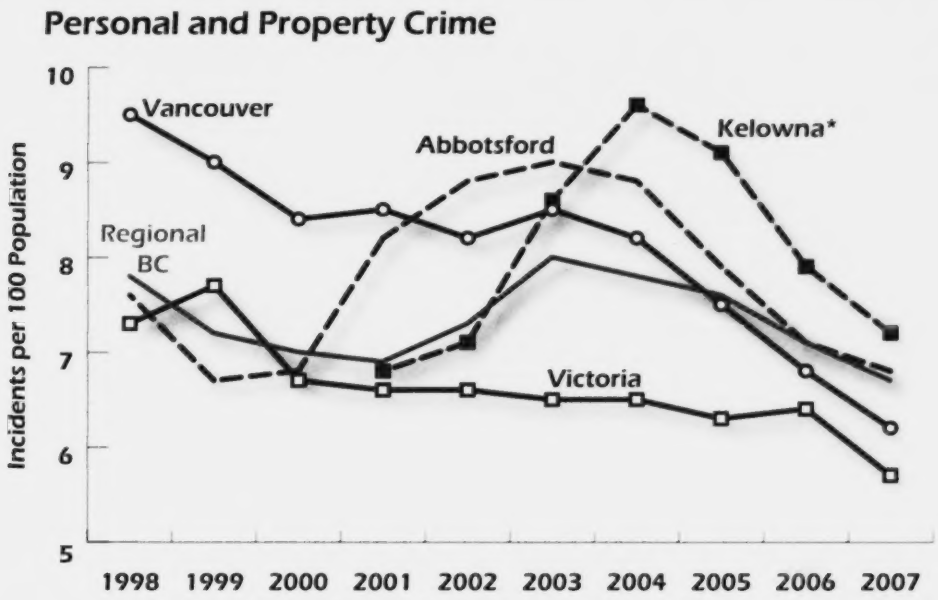
The low birth weight ratio is fairly volatile but average values are quite close, the smallest difference being 0.1 percent between Regional BC and Victoria and the largest being 11.7 percent between Abbotsford and Vancouver.

The 2007 rate of low weight births was above the 1998 rate in all five regional Health Authorities. However, BC performs well on this indicator whether compared to other provinces, US states or OECD nations.

Why It's Important

The World Health Organization uses the low birth weight rate as an indicator of general social condition. This indicator serves as a barometer of overall access to health and education services, and of the level of socio-economic inequality. Low birth weight newborns have a substantially higher rate of post birth illness and death. In addition, long-term health problems, lower IQ and academic achievement, increased disabilities and hospitalization rates are associated with low birth weight. Factors that contribute to low birth weight are socio-economic status, social support, stress and personal habits.

Regional Indicator 15 Personal and Property Crime



Sources: BC Progress Board; BC Stats; BC Ministry of Public Safety and Solicitor General

Regional Indicator Fifteen is based on the number of personal and property crimes in a jurisdiction. Higher crime rates produce worse ranks.

After relatively small increases in 2001 and 2002 and a moderate increase in 2003, crime rates have returned to a downward trend throughout the province. Since 2005, the only increase seen in any region of BC was Victoria's 2006 value of 0.8 percent. Average decreases for 2005 through 2007 range from 4.5 percent in Victoria to 9.1 percent in Kelowna.

Overall, between 1998 and 2007, crime rates fell by 35 percent in Vancouver, 22 percent in Victoria, 14 percent in Regional BC and 11 percent in Abbotsford.

In 2007, Victoria recorded 5.7 crimes for every 100 residents. Vancouver's rate was 6.2 and Kelowna had the highest rate at 7.2 incidents per 100 population.

On average, between 1998 and 2007, crime rates in Vancouver were 22 percent higher than Victoria's and 10 percent higher than in Regional BC.

Why It's Important

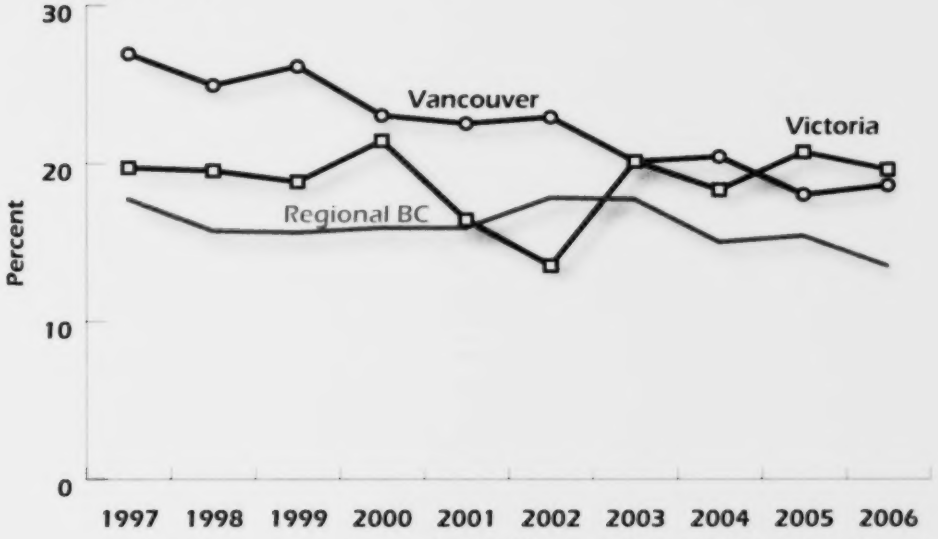
The crime rate is both a reflection of community safety and security and an indicator of other social and economic problems. It can reflect lack of opportunities, inadequate education or social dysfunction. Crime is very costly to society, from both individual and community perspectives.

Note: *Regional BC includes the Kelowna CMA.

Regional Indicator 16

Low Income Cut-Offs

Low Income Prevalence for Families & Unattached Individuals



Sources: BC Progress Board; BC Stats; Statistics Canada

Regional Indicator Sixteen uses data on the number of people with incomes below a level identified by Statistics Canada as relatively low. The region with the lowest proportion earns the best rank.

In 2006, the proportion of Vancouver families and unattached individuals below the after-tax Low Income Cut-Off (LICO) was 31 percent lower than it was in 1997. The ratio in Regional BC was 24 percent lower but Victoria's was roughly the same in 1997 and 2006.

Vancouver had the highest average value for 1997 through 2006, followed by Victoria and Regional BC.

Vancouver's 1997 value of 26.9 percent was the largest value recorded in BC between 1997 and 2006. The smallest was 13.5 percent in Regional BC in 2006.

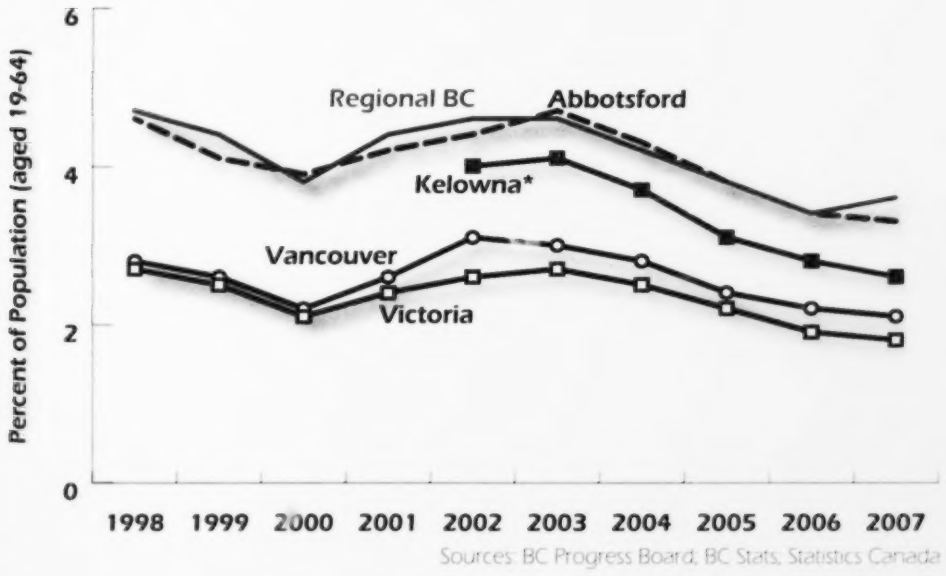
Why It's Important

There are a number of negative outcomes for those experiencing low incomes. People with low income may experience more physical and mental health problems, rely more on charity, attain lower levels of education, or have higher secondary school drop-out rates.

Regional Indicator 17

Employment Insurance

Employment Insurance Recipients



Sources: BC Progress Board, BC Stats, Statistics Canada

Regional Indicator Seventeen tracks the number of Employment Insurance beneficiaries as a percent of the population aged 19-64.

The proportion of the population (aged 19-64) receiving Employment Insurance benefits is higher in Abbotsford and Regional BC than in Vancouver or Victoria. Kelowna falls between the high and low regions.

The number of Employment Insurance beneficiaries in BC in 2007 was up slightly from 2006 due to an increase in Regional BC. The 74,977 on EI in 2007 was three percent higher than the low point set in 2000.

Other than the four percent increase in Regional BC between 2006 and 2007, every region has seen the EI to population ratio drop in each of the last four years.

Why It's Important

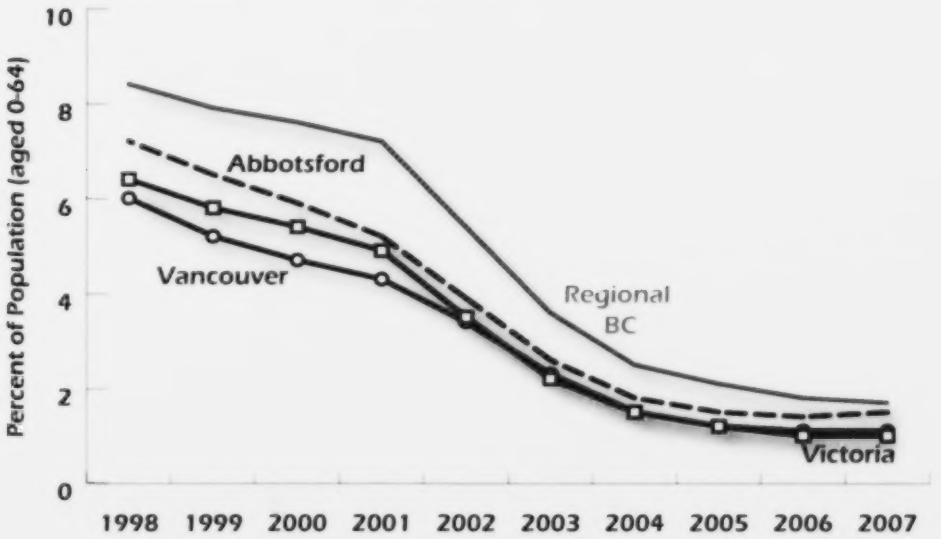
The proportion of the labour force not able to find employment is an important indicator of the economic health of a jurisdiction. When an economy is growing strongly, new jobs are created and, unless the labour force grows enough to offset the growth in jobs, the unemployment rate will fall and there should be fewer people collecting Employment Insurance benefits.

Note: *Regional BC includes the Kelowna CMA.

Regional Indicator 18

Income Assistance

Income Assistance Recipients



Sources: BC Progress Board; BC Stats; BC Ministry of Housing and Social Development

Regional Indicator Eighteen tracks the number of Income Assistance beneficiaries as a percent of the population aged 0-64.

A general pattern of large increases in the income assistance recipients-to-population ratio in the early 1990s followed by even larger decreases in the ratio in the mid-to-late 1990s was seen all across the country. In BC, the ratio peaked at 10.4 in 1995 and has since fallen by 88 percent to 1.3 in 2007.

The proportion of the population (aged 0-64) collecting income assistance benefits has followed a similar pattern in Vancouver, Victoria, Abbotsford and in Regional BC.

The proportion peaked in 1995 at 9.3 in Vancouver, 9.8 in Victoria, 10.8 in Abbotsford and 11.9 in Regional BC.

Since 1995, the number of beneficiaries as a percent of the population (aged 0-64) has fallen by at least 86 and by as much as 90 percent, depending on the region.

The proportion of the population collecting income assistance has consistently been higher in Regional BC than in the Census Metropolitan Areas although the differences are not large.

Why It's Important

The proportion of the population collecting income assistance benefits (commonly referred to as welfare) is an important indicator of the economic health of a jurisdiction and may also indicate problems in the incentive structure of the income assistance programs available within a jurisdiction.

>> Appendix: Board Members, Staff & Advisory Group Members

Board Members:

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Co-Owner
Kra-Mar Investments

Mr. Herman Driediger
CEO
Driediger Investments Ltd.

Ms. Jill Leversage
Managing Director
Corporate and Investment Banking
TD Securities Inc.

Mr. Harry McWatters
President
Vintage Consulting Group

Ms. Carol W. Seable
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Fairmont Hotsprings Resort Inc.

Mr. Jim Shepherd
Former President & CEO
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Mr. Ken Shields
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Dr. Maurice Levi
Bank of Montreal Chair in International Finance
Sauder School of Business
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Dr. Richard Harris
Telus Professor of Economics
Simon Fraser University

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President
MMK Consulting

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